THE FINANCIAL POST

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The Nation's Business

Malcolm to Build Up Export Trade
Publicity Budget Star Event of Session
Educate Exporters
Manitoba and Quebec Are to Vote

THE most constructive development of the session of parliament that has just closed was the start made by Hon. James Malcolm, minister of trade and commerce, on a scheme to promote the sale of Canadian goods in export markets and particularly in Great Britain.

There is every reason to expect that Canada's foreign trade will be greatly stimulated by the promotion of work planned by Mr. Malcolm. In the closing days of the session, he was granted appropriations of $50,000 for special advertising and publicity work and of $100,000 to supplement the British government scheme for the marketing of Empire produce; to carry further, in short, the work of the Empire Marketing Board. These sums totalled somewhat less than the $250,000 appropriation that The Financial Post two weeks before had urged should be granted to Mr. Malcolm for these purposes. But the action of the government, in setting aside $150,000 to advertise Canadian goods abroad, particularly in the British Isles, and to educate Canadian producers in the science of exporting, is of greater significance than mere figures can indicate. It represents a start on a policy that has long been urged on Ottawa by business men who have studied Great Britain as a market for Canadian goods.

* * *

IN THE articles that he prepared following his covering of the Imperial Conference last fall, H. T. Hunter, vice-president of The Financial Post, suggested such action by the government. In those articles it was shown that Britain offers Canada a compact market of 50,000,000 people, naturally holding a preference for Empire products, and buying in large quantities every day the very type of products that comprise the output of Canadian farms and factories. It was explained how Australia was co-operating with industrial and agricultural associations in co-operative advertising campaigns that presented their products to the British people. Such campaigns were those of the apple and raisin growers, who put on an extensive publicity effort in Britain, spending $250,000, of which about one-half was contributed by the Australian government and the balance by the growers.

* * *

IT IS anticipated that Canada will spend its $100,000 appropriation in similar fashion; co-operating with Canadian producers to advertise their products. It will be best to have private money spent in this manner along with the government appropriation. This will give a practical business-like touch to each campaign and insure a proper check upon expenditures.

The $50,000 appropriation for special advertising may be in part available to supplement this work but will be chiefly used in Canada in forwarding educational work among exporters.

* * *

MR. MALCOLM is proving himself to be a splendid man for his job, which consists so largely of building Canadian export trade. He is a successful manufacturer who has paid close attention to the selling and advertising problems of his own business and has thus won an experience that will serve him well in his new work.

He has taken hold of the work of his department with a directness of purpose that is a happy augury for Canadian business. His ability to see

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Malcolm Carries Out Post's Ideas

Last December The Financial Post ran a series of articles written by H. T. Hunter, its vice-president, urging the Trade and Commerce Department to inaugurate an advertising campaign to increase our export business.

In this column, on April 1, appeared these suggestions:

"Mr. Malcolm should ask parliament for two things:

"(1) Increased appropriation for establishment of additional trade commissioners in important centres.

"(2) Advertising appropriation of at least $250,000 to be spent in foreign countries in conjunction with associations who are prepared to guarantee the quality of their goods and who are prepared to appropriate an amount of money equal to that contributed by the government."

In parliament, on April 6, Mr. Malcolm was granted an increase of $50,000 in his appropriation for trade commissioner services. On April 13, he was granted $150,000 for advertising in connection with the sale of Canadian goods abroad, $100,000 of which will be spent on the lines of The Post's suggestion.

HOLT CONSOLIDATES HIS PUBLIC UTILITY SHARE INVESTMENT

Formation of New Trust Company Widens His Scope

INVESTED FOR YEARS

Believed to Have Become the Largest Public Utility Investor in Entire Dominion

Consolidation of at least a part of Sir Herbert Holt's huge holdings in hydro power corporations in Canada, the United States and South America, is apparently taking place through the medium of the newly established Hydro Electric Bond and Share Corporation. For many years Sir Herbert has been steadily accumulating shares of leading utility companies and at present he is undoubtedly the largest individual holder of public utility shares in Canada.

Control of these stocks has naturally carried with it certain responsibilities, which have taken up much of Sir Herbert's time and to relieve himself of these obligations is probably one of the reasons for the formation of this combined trust and holding company. Bonds of the new corporation are being offered to the public this week to the amount of $3,500,000. It is particularly significant to note that the prospectus says "upon completion of present financing, the corporation will own revenue-bearing securities of a total current market value in excess of $6,000,000." These securities represent sixteen prominent public utility companies in which Sir Herbert is known to have extensive financial interest.

Not Bought in Open Market

For a new company to go into the market and buy up $6,600,000 worth of securities in such companies as Montreal Light, Heat and Power, Shawinigan, Brazilian, Barcelona, Cities Service, International Power Securities, Associated Gas and Electric and St. Maurice Power before making a bond offering, would cause much excitement on the market, as the average investment in the sixteen companies totals over $400,000. That accumulation of these shares has been accomplished without any flurry on the market is self-evident. The deduction then is that Sir Herbert and possibly a few of his associates, have transferred large blocks of holdings to the new corporation, consideration probably being cash, plus a proportion of income debentures and common stock.

Added strength to this belief, is given by a survey of the board of directors governing the Hydro-Electric Corporation. Sir Herbert Holt is president; John S. Norris, of Montreal Light, Heat and Power, is vice-president; S. Godin, is managing director; G. H. Montgomery, director of Montreal, Light, Heat and Power, and Andrew P. Holt, son of Sir Herbert, and J. H. Gundy, of Wood, Gundy and Co., are directors. John S. Norris and G. H. Montgomery are associates of Sir Herbert in different enterprises; and S. Godin was for many years Sir Herbert's secretary and is now general manager of one of his affiliations. Mr. Gundy has recently been active in a number of Holt companies and his firm is handling the new financing.

Will Broaden Holt's Field

Though temporarily disposing of public utility, bond and share holdings in this manner, it does not necessarily mean that Sir Herbert has abandoned a field in which he has made an immense fortune and done much to bring about the development of the country's latent resources. In fact it should widen the scope of his operations by putting at his disposal larger sums for expansive effort.

Creation of a corporation of this type, while new to Canada has been carried out successfully in other countries.

Holders of Packer Shares Receive Mystery Missive

Shareholders in certain packing companies in the last few days have received through the mails reprints of an article in the April 15th issue of The Financial Post, which suggested that the packing companies in Canada were contemplating a merger as a means of restoring trade.

There is much mystery as to the senders of the reprints, there being nothing on either the envelope or the enclosure to indicate the source. It has been suggested to two or three executives of packing companies that they caused the reprints to be sent to shareholders with a view to getting opinions as to the desirability, from the shareholders' viewpoint, of a merger of the kind suggested. The executives questioned, however, denied any knowledge of the missives.

Dominion Bridge May Get Sun Life Building Contract

From Our Own Correspondent.

MONTREAL.—The Sun Life Assurance Co. of Canada is to erect an immense new building in Montreal. The site is adjacent to the company's present head offices, which, it is understood, will form a component of the new structure. The Sun Life owns the land adjoining its head offices and it is understood that final plans for the construction of the building are now being completed.

The new structure will call for a large tonnage in structural steel; the contract for the structural steel, it is anticipated, will be awarded to the Dominion Bridge Co. Thus, the Bridge Co. upon the completion of the large new Royal Bank structure in Montreal perhaps can look forward to a similar large contract to take the place of the Royal Bank building work when that job is completed.

Work With Private Business in Export is Malcolm's Plan

Publicity Campaign of Department of Trade and Commerce Involves Spending $100,000 Abroad and $50,000 in Canada

From Our Own Correspondent.

OTTAWA.—Detailed plans for the stimulation of Canadian export trade are being drawn up in the department of trade and commerce on the strength of the $50,000 voted by parliament for advertising in Canada and the $100,000 voted to supplement the work of the Empire Marketing Board.

It is understood on excellent authority that a separate bureau is to be established by the department with the object of keeping Canadian manufacturers in as intimate connection as possible with markets abroad. It is proposed to use at least part of the $50,000 appropriation in advertising through trade and financial journals sales openings as they are reported by Canadian government trade commissioners throughout the world.

Speed Up Trade Service

In this connection it is said the trade commissioner service will be speeded up to get its reports in to Ottawa with all possible expedition and that the department in turn will reach out to the trade with the information of marketing possibilities in the foreign field. The bureau will operate in Ottawa under the direction of Herbert M. Chisholm, who has just left the press gallery to take over the work. When certain opportunities appear the trade commissioner will report them and the bureau will take the most effective means possible of informing the producers. At the present time, Mr. Chisholm has been loaned by the trade and commerce department to the National Jubilee Committee for work in connection with the Confederation celebrations but after July 1, the new phase of the department's operations will commence.

The bureau, too, will undertake to advise exporters of certain errors in marketing. For instance, it has been found that an astonishing number of Canadian manufacturers neglect to answer inquiries from foreign buyers. Through circulars and advertising and articles in trade journals these defects in commercial relationship will be drawn to the attention of manufacturers and exporters.

Directly associated with this enterprise is the "Marketing within the Empire" program for which $100,000 was voted. Similar amounts have been set aside by the other dominions to further this work. The Canadian money will be spent to a large extent on publicity. When, for example, there is an apple week or a butter week in Great Britain some of this money will be spent on furthering the sale of these products in the old country.

Hon. James Malcolm, minister of trade and commerce, sails for England and the continent early in May. He will make a quick tour of the trade commissioners' offices of Great Britain, and probably France, Holland and Belgium within a period of about six weeks.

Shareholders Alone to be Responsible for Besco Reorganization

If New Interests Enter Picture, Will be at Behest of Besco

NOT TO BE WOUND UP

Next Move of National Trust Still in the Air

WOULD SCALE CAPITAL

Since the situation in British Empire Steel Corporation presents two angles, first, the viewpoint of the "Montreal Group" comprising President R. M. Wolvin and the shareholders; and, second, the "Toronto Group" comprising the National Trust Company and the bondholders. The Financial Post publishes articles on the situation by staff editors in both Montreal and Toronto.

From Our Own Correspondent.

MONTREAL. — It was a victory for President Roy M. Wolvin when the Supreme Court of Nova Scotia dismissed the application of the National Trust Co. for the winding up of the British Empire Steel Corporation. The first judgment handed down did not deal with the similar application of the trust company to wind up the Dominion Steel Corporation, the chief subsidiary of Besco.

Working Out Plan Now

Executive of the British Empire Steel Corp. are carrying out the preliminaries of a reorganization. What form this reorganization will take depends primarily upon what the situation surrounding Dom. Iron & Steel Co. will be. If Government decides to assist steel industry either by bounty or tariff doubtless, it will probably be taken back into the Besco fold. If nothing is done for the Nova Scotia steel industry, there seems no doubt that in the Besco reorganization the steel properties will not be included.

There seems no reason why Besco or its successor company should saddle itself with what under present conditions is a liability. Under prevailing conditions there seems to be little possibilty of the Dominion Iron & Steel Company ever getting back to an earning power basis.

Groups Will Confer Soon

In the meantime the various groups of shareholders of the corporation have appointed a committee to look

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While Justice Chisholm in the Nova Scotia Supreme Court has not handed down his decision with respect to Dominion Steel Corp., subsidiary of British Empire Steel Corp. and holding company for Dominion Iron & Steel Co. and Dominion Coal Co., it is admitted that the dismissal of the petition of National Trust Co. for an order of liquidation for British Empire Steel Corp. is a distinct victory for President Roy M. Wolvin.

National Trust Co. a year ago was appointed receiver and manager for Dominion Iron & Steel Co. A few

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The Financial Post Will Cover Economic Conference at Geneva

Lt.-Col. John Bayne Maclean, president of The Financial Post, sailed this week for France, from whence he will go to Geneva. Col. Maclean will be in Geneva during the sessions of the world economic conference that is being held under the auspices of the League of Nations economic section. This world conference of business men and economists holds much of interest to Canadian business and it is the desire of Col. Maclean to study the problems and the discussion brought out there, in order that the policies of The Post may be shaped along lines that will best reflect the most advanced thought of modern business and be of greatest advantage to Canada.

The Financial Post has also arranged for Dr. Adam Shortt, one of the three Canadian representatives who have gone to the conference, to prepare several articles on the conference. The first of these will appear in The Financial Post practically simultaneously with the opening of the conference early in May and will be followed by others reviewing the work accomplished.

Gigantic Sales Merger Planned by Leading Newsprint Companies

Trade Booms as Arnolds Take Over A. Martin

Arnold Bros. have begun gradually to take over the actual operation of the A. Martin stores which were recently bought. The taking over of the stores so far has indicated surprisingly gratifying results, from the viewpoint of gross receipts.

One store taken over last week in two days, Thursday, April 14, and Saturday, April 16, had greater receipts than the store had enjoyed in the full week ended April 9. The figures were $2,096 for the two days and $689 for the previous full week, an increase of $1,406. Another store in a different neighborhood, had receipts of $1,435 in these two days compared with $659 in the previous full week, an increase of $776.

While it will be noted that the first two days of Arnold operation were days preceding holidays and therefore busier than normal in retail circles, the ratio of increase in both instances is so great that, in the opinion of the management, an even greater success than was anticipated at the time of the purchase, can be expected if this experience is general in the taking over of the Martin stores.

Montreal Water Deal Concluded

MONTREAL.—The city of Montreal has finally taken over the properties of the Montreal Water and Power Company and the actual price at which it will change hands will be decided by a board of arbitrators. If the composition of this board meets with the approval of the Montreal Board of Trade, the legal action taken by that body will probably be dropped, for if it is certain that the arbitration will be fair and impartial, there will be no need for further action on the part of the citizens of Montreal to prevent the deal.

Predict Higher Rate and Split for Brazilian

Montreal interests which have been identified with the impressive investment buying of Brazilian Traction common in recent months are reported to hold the belief that the directors may authorize a split in the stock, either two for one or three for one, before the end of the current year.

It is believed, further, that Brazilian will increase its dividends at the rate of 1 per cent. a year for several years. Earnings continue to grow rapidly while the company is only now on the verge of profiting from the enormous sums which have been invested in plant and equipment in the last several years. It is pointed out that the company can increase the capacity of two of its power plants by the mere process of installing the turbines. In other words, the company already has installed and paid for out of earnings, the most expensive part of a hydro plant — canals, penstocks, etc. One of these plants at present has a capacity of 40,000 horsepower, which can be increased to 100,000 and the other has a capacity of 80,000 horsepower which can be increased to 320,000.

Power Corporation Stock Touches New High Ground

From Our Own Correspondent.

MONTREAL.—The common shares of the Power Corporation of Canada in selling over 32 have touched new high ground. The popularity of power stocks with the public, coupled with the fact that there is but little common stock of the Power Corporation available, has resulted in the increased price.

St. Maurice, Spanish, Abitibi, Port Alfred, Laurentide, Price to Consolidate Sales Efforts

CONSUMMATED SOON

Will Control Two-thirds Canadian Output—Will Stabilize Price and Lower Sales Costs of Companies

From Our Own Correspondent.

MONTREAL.—Within a very few weeks the merger of the St. Maurice Valley Sales Corporation, the Mead Sales Company and the Canadian Export Paper Company, will be finally completed. This news is of direct interest to the shareholders of newsprint securities. This merger was forecast in The Financial Post several weeks ago.

For some months negotiations leading to such a consolidation of sales efforts have been in progress, and the various difficulties delaying such a project have been met and overcome. It is understood that the final details of the merger will be settled within about three weeks, at which time an announcement of the new selling agency will be made.

For the future, the companies included in these negotiations will still maintain their separate identities and remain quite independent, but they will combine their sales forces into one organization and from such action will be able to reduce overhead and at the same time strengthen their position.

Many Companies Included

It is understood that the following companies will in the future sell their output through the one agency:

	Rated daily capacity in tons
Spanish River	720
Abitibi	520
Beaver Wood	70
St. Maurice Valley	915
Port Alfred	400
Fort William Paper	160
Laurentide	390
Price Brothers	740
Escanaba Paper	120
xManitoba	200
qSte. Anne Paper	250
Total tonnage	4485

q To start later in year.
x Producing 100 tons; later will be increased.

In the past, Spanish River, Abitibi, Fort William, Escanaba and Manitoba sold their output through the Mead Sales Company; the St. Maurice Valley Corporation and its subsidiaries, Belgo and Canada Paper, the Beaver Wood Fibre Products and Port Alfred sold their output through the St. Maurice Valley Sales Corporation. Laurentide's and Price Brothers' output was sold by the Canadian Export Paper Company.

Reasons for Consolidation

The consolidation of sales efforts came into being for two reasons: first, suitable prices were a necessity to the industry; second, while no doubt the publishers would relish lower prices for newsprint, yet they realize that any cut in price below $65 a ton, the present price, would immediately result in clos-

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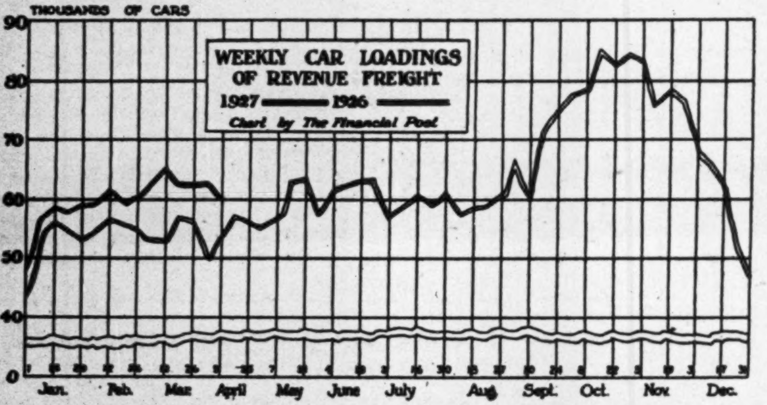
Background of Canadian Business

By JOHN E. LANGDON,
Business Editor, The Financial Post.

WEEKLY REVIEW OF CONDITIONS

Farm Operations Will Likely be on Larger Scale in 1927
Navigation Opening Will Stimulate Export Movement
Physical Volume of Business Ahead of Last Year
Security Markets Reflecting Better Business Conditions

WHILE the level of business activity during the next few months will not be influenced to any appreciable extent by agricultural conditions, crop returns will be of paramount importance in arriving at the probable purchasing power of the individual next year and on this account spring farm operations are being carefully checked in business circles. Farmers have been on the land for several days past and early advices, while indicating a diversity of weather conditions which have hindered work, are distinctly encouraging. Fall plowing last year was of a limited character owing to the lateness of harvesting, but an early spring has enabled farmers to get on the land earlier than usual. As a result, it is likely that the area sown to grains this year will be larger than in 1926.



Lack of moisture in Ontario and Quebec is causing some concern, but is not resulting in any let-up of activity. The embargo on milk entering the United States, which has worked hardship on a number of farmers, may reduce the acreage sown to hay and fodder crops but recent reports to the effect that this restriction will be removed are expected to cause a return to normal conditions. Meantime much money is being spent in the West, and to a lesser extent in the East, on new farm equipment and in extensive improvements to buildings and property, expenditure in this connection being met promptly.

Early Opening of Navigation

An earlier opening of navigation on the Great Lakes and St. Lawrence river is now expected. There is a large quantity of grain awaiting movement from the head of the lakes to overseas markets, while activity in other lines will also be stimulated. Boats are being loaded at several ports and the lake freight movement is expected to be general by the middle of next week. This will aid greatly in export shipments, which should also benefit the railways.

A note of hesitancy in the business situation is present in the form of doubt that the high level of industrial activity, experienced during the past year, will not continue throughout the balance of 1927. Conditions during the first quarter of the current year, judged by the usual standards, have been as good, if not better, than in the corresponding period a year ago, and this means that it has been on an exceedingly high level. Absence of any adverse condition or conditions leads to the belief that while business has not wholly readjusted itself to the change which has come over industry in the past twenty months, there has been no marked reaction from last year which would justify any such feeling.

Production Well Maintained

In comparison with last year, volume of production has been well maintained. The index of physical volume of business, based on the weighted average of forestry, mining, construction and manufacturing, the total including no less than 33 significant factors, was higher during January and February last than in the same months a year ago. Moreover, the January index number has only been exceeded twice in any month since 1919. As a consequence of this and other conditions, freight traffic movement has been heavier than last year. Car loadings have been climbing steadily, indicating a greater distribution of merchandise, agricultural, forestry and other products. Bank debits have also been higher in practically every section of the country and this tends to show that commitments are being met with promptness.

Reports from various manufacturing centres all tell the same story—majority of plants operating at or near capacity. Competition is keen in all lines, as indicated by the larger number of failures. Credit, however, remains easy. Collections have been satisfactory and manufacturers have found no trouble in financing operations. The construction industry reports volume of new work undertaken this year compares favorably with the record years of 1913 and 1914 and is higher than it was last year. Although value of contracts in March did not register a gain, construction under contemplation augurs well for the balance of the year. Iron and steel output has not come up to expectations, but automobile production is continuing along good lines.

Fundamental Factors Favorable

Easy credit conditions and gradually declining or stabilized commodity prices have been foremost among the controlling fundamentals in trade and industry. Higher wages and lower cost of living, have also been instrumental in creating greater purchasing power among laborers, which in turn is reflected in buying of other classes. The unlikelihood of any change in these factors promises well for maintaining business activity during the next eight or nine months.

Security Markets Strong

Another favorable sign of present business is to be seen in the buoyant tone of security markets. While stock and bond prices should not be taken as an indication of the future trend of business, they are valuable in that they are a reliable index of the success being met with by leading companies in various industries. A number of Canadian companies in recent months have given evidence of better business, by increasing regular dividend payments, and by giving stock dividends or bonuses. Stock prices have advanced to new highs in many instances and the general average of the list has risen to a point above that prevailing in other years.

The same situation exists in the bond market. More money is available for investment and the demand for high-grade securities combined with lower interest rates has caused a scarcity which has been largely instrumental in causing well-secured bonds to sell at a price to yield less than 5 per cent.

Canadian Business Indicators

Compiled weekly by The Financial Post

	Latest		To Date	
	This Year	Last Year	This Year	Last Year
Production—(February)—				
Pig iron, tons	50,695	49,746	102,412	106,390
Steel, tons	55,620	53,157	114,171	121,693
Newsprint, cwts.	150,773	135,663	312,497	275,351
Automobiles	18,655	18,838	34,031	30,619
Boots and shoes, pair (Jan.)	1,407,163	1,148,198	1,407,163	1,149,198
Flour, bbls. (Jan.)	1,496,000	1,422,000	1,496,000	1,422,000
Construction—				
Contracts awarded (Mar.)	$17,465,900	$19,779,000	$53,704,600	$45,926,000
Building permits (March)	$11,641,427	$10,634,491	$24,849,278	$22,493,574
Labor—Employment index (Mar.)	96.3	91.5	....	....
Transportation—				
Car loadings (to April 9)	60,010	53,773	850,886	766,411
C.P.R. gross (Feb.)	$13,367,502	$12,613,007	$27,802,871	$26,083,189
C.P.R. net (Feb.)	$ 1,968,198	$ 1,905,930	$ 3,478,433	$ 3,706,889
C.N.R. gross (Feb.)	$19,207,035	$18,337,076	$39,375,294	$37,038,230
C.N.R. net (Feb.)	$ 1,424,242	$ 1,423,573	$ 3,458,596	$ 3,151,955
Population—				
Immigration (Mar.)	4,981	6,993	15,291	21,293
Trade—				
Imports (Feb.)	$74,706,654	$70,908,980	$153,512,654	$140,644,980
Exports (Feb.)	$75,533,607	$87,634,147	$150,799,607	$173,350,147
Imports of key products (Feb.)— —				
Rubber, lbs.	5,869,000	4,901,000	4,336,000	4,901,000
Cotton, lbs.	12,278,000	19,209,000	21,278,207	19,209,000
Sugar, $	2,427,990	1,309,609	2,427,990	1,309,609
Petroleum, gal.	31,052,000	38,332,000	52,222,000	38,332,000
Coal, tons (Jan).	1,652,996	1,209,261	1,562,996	1,209,261
Exports of key products (Feb.)—				
Newsprint, (cwt.)	145,263	128,964	304,129	272,008
Automobiles (pass.) (No.) (Jan.)	5,296	3,760	5,296	3,760
Wheat, bus.	11,421,705	14,073,853	.....	27,271,853
Wheat Flour, bbl.	748,499	841,681	....	1,558,412
Finance—				
Failures, number (Jan.)	143	144	334	328
Failures, liabilities, (Feb.)	$2,086,652	$2,836,409	$4,712,944	$5,224,196
Bank debits (Jan.)	$2,293,076,943	$2,131,219,922	$4,912,076,943	$4,499,219,922
Bond sales (Feb.)	$22,266,471	$121,688,799	$74,119,629	$155,033,502
Stock prices index (April 9)	....	....	282.7	174.4
Insurance sales (Jan.)	$36,820,000	$33,600,000	$36,820,000	$33,600,000
Wholesale prices (1913-100)—March—				
General index	....	....	148.7	160.0
Pig iron	....	....	144.6	145.7
Cotton	....	....	114.4	164.4
Grains	....	....	160.0	160.8
Cattle	....	....	110.2	104.6
Rubber	....	....	65.3	88.2

SUZUKI DEBACLE MAY HIT CANADA'S TRADE WITH JAPS

Corporation Was Largest Single Trading Concern in Orient

From Our Own Correspondent.

VANCOUVER.—British Columbia shipping interests are wondering what effect the failure of Suzuki and Company in Japan will have on Canada's trans-Pacific trade. They are convinced that it will prove a serious blow unless early reports of the smash are modified by subsequent news.

Disaster to a single firm in most countries would not seriously disturb trade relations, but in Japan Suzuki and Company holds a position of rare importance, akin almost to the Canadian Pacific Railway in Canada. It is an enormous corporation with close to a hundred subsidiaries, operating in shipping, manufacturing, mining, brokerage and almost every other pursuit which has developed on a big scale in the mikado's empire. Details of the financial crisis in which the company finds itself have not yet been given out, but the doors of its thousands of offices have been closed, and upwards of quarter of a billion dollars is held up.

One Thing After Another

The Suzuki smash, following close upon the terrific losses suffered by Japan as a result of the earthquake and floods, is regarded by importers and exporters here as sufficient to seriously disturb Japan's trade relations with this country, and these now represent close to $50,000,000 annually. Japan is sure to stage a come-back, just as she was preparing to do after the disastrous depression consequent upon the end of war-time activity, but it may take time for this to be accomplished, and in the meantime Canada may lose heavily in canceled orders and non-placement of new business. It has been just one thing after another in Japan, and the Suzuki trouble, if it is as bad as first reports indicate, will bring a long series of misfortunes to a dramatic climax .

Japan After the War

During the war Japan made the most of its advantage as one of the chief industrial nations not directly concerned in the war. Japan's shipping house flags fluttered from mastheads on every sea for the first time in history. Japan developed new trade routes, wrested old ones away from countries whose ships were needed in the routes infested with U-boats. Japan's industry seized its opportunity to replace German novelty and other goods. Such articles as brushes, toys, household goods and dress stuffs were turned out in enormous volume and the imitating skill of the Japanese artisan was given free rein. Japanese factories were geared to a pitch never attained before and when the war ended and the post-war slump brought its sudden cessation of buying orders the world over scores of Japanese industrial concerns crashed. Other countries, which during the war had been too busy to worry much about overseas trade, returned to their old fields and won back most of the business they had lost to Japan.

Japan thus found itself in an almost hopeless position. It had profited from abnormal conditions, and the return of the old-time balance of world trade left it with a worse depression than even the countries that had been directly engaged in hostilities suffered. It became necessary to readjust the whole industrial situation and Japan was in the midst of this task when the earthquake came, causing fresh losses and sending to the wall many companies which had been desperately holding on to their precarious position since the collapse of the war boom. And now the Suzuki breakdown.

What Japs Buy From Us

Japanese purchases from Canada are considerably higher than Japan's sales here. Agricultural and vegetable produce, chief of which is wheat, heads the list of our exports to Japan, valued last year at more than $16,000,000. Japan has become second only to the United States as a buyer of Canadian lumber and its purchases last year aggregated more than $8,000,000, which was about the same as Japan paid for Canadian lead and other non-ferrous metals.

Altogether, Canadian exports to Japan last year totalled more than $37,192,459, representing about four dollars to every man, woman and child in the Dominion.

In return, Japan sold to Canada goods worth nearly $11,000,000, a good deal of this being material virtually unobtainable elsewhere. Fibres, textiles and textile products comprise the main item.

Many New Sheep Flocks Being Established in Alberta

Sheepmen are optimistic and many new flocks are being established in the great range country of Southern Alberta, where 20 per cent. of the total Canadian wool clip comes from, according to W. H. J. Tisdale of the Canadian Co-operative Wool Growers.

Sheep breeding being a major industry in Southern Alberta, there was not the same liquidation in holdings as took place in Eastern flocks when prices for both wool and lamb declined sharply at the close of the war period, but for awhile interest lagged. Now, however, the pendulum is swinging the other way. Moreover, many new breeders, particularly general farmers, are getting into the business. "These men," explained Mr. Tisdale, "are establishing small flocks; but small, in the West, means anywhere from one to five hundred animals. In the irrigation districts, particularly around Brooks and Vauxhall, sheep have been found to work in well with the special type of farming practised. The major crop there is alfalfa, which is sold in thousands of tons to the big sheep ranchers. On the relatively small farms where this alfalfa is grown, a band of a few hundred sheep will practically live on the waste, running in the fields after haying and harvest."

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FARM LAND VALUES REGISTER DECLINE

Average Per Acre Drops One Dollar in 1926; Same as in 1914

Farm land values in all provinces depreciated $1 an acre during the past year as compared with 1925. The average value of occupied farm lands of Canada as a whole, including improved and unimproved land, as well as dwelling houses, barns, stables and other farm buildings in 1926, was $37 per acre, while in the preceding year it was $38, according to the Bureau of Statistics.

Decrease in value is not due to depletion in productive capacity of the soil or in the costliness of dwellings and buildings, but rather to a readjustment of war-time values. There was a more or less steady increment in the value of occupied farm lands from 1909 to 1920, when the peak average value of $48 per acre was reached. In the last six years, the tendency of values has been downward, although average for the whole Dominion since 1923 has remained fairly constant. The following table shows the average value during four representative years:

Average Value Per Acre of Occupied Farm Lands

	'14	'20	'25	'26
P. E. I.	$39	$49	$45	$46
N. S.	28	43	37	36
N. B.	26	35	34	31
Quebec	47	70	54	53
Ontario	54	70	67	62
Manitoba	32	39	29	29
Saskatchewan	24	32	24	25
Alberta	21	32	26	26
B. C.	150	175	88	80
Canada	37	48	38	37

In addition to the foregoing orchard and fruit growing lands are valued separately. The table below shows values in the Annapolis Valley, Nova Scotia; Niagara Peninsula, Ontario, and the fruit growing districts of British Columbia:

Average Value Per Acre of Orchard-Fruit Lands

	1925	1926
Nova Scotia	$108	$129
Ontario	124	163
British Columbia	301	320

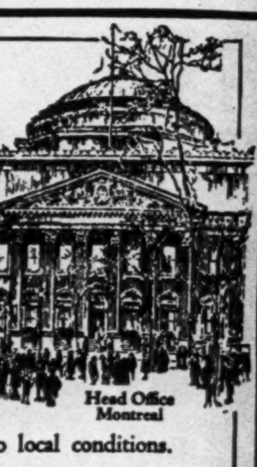
Acreage Same as in 1914

In comparison with 1914, which is more suitable for comparability than 1920, the average value per acre for the whole Dominion shows no change, viz., $37. This would indicate that farm lands are worth no more to-day than they were 12 years ago. Analysis of figures, however, shows that with the exception of Manitoba and British Columbia, all the provinces have recorded increased values. In the Maritimes, for instance, appreciation has been substantial, Prince Edward Island increasing from $39 to $46 an acre; Nova Scotia from $28 to $36; and New Brunswick $26 to $31. Quebec records an increase from $47 to $53, while the value of Ontario farm lands jumped from $54 to $62 an acre.

Saskatchewan and Alberta are the only two western provinces to register an increase in the value of farm lands, the latter from $24 to $25 and the former from $21 to $26. Manitoba shows little change, the value per acre in 1914 being $32, whereas in 1926 it was $29. The decrease in British Columbia was large enough to overshadow the increases recorded by other provinces and was instrumental in keeping the average value per acre in 1926 at the same level as in 1914. The figure for 1914 was $150, while last year it was only $80.

Admitted to Partnership

MONTREAL.—The Montreal stock exchange house of Oswald and Drinkwater announces that S. G. Grafton and F. H. Fairbanks have been admitted to partnership in the firm. The business will be continued under its present name.



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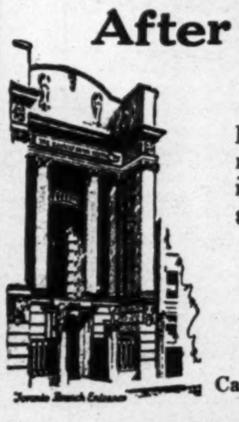

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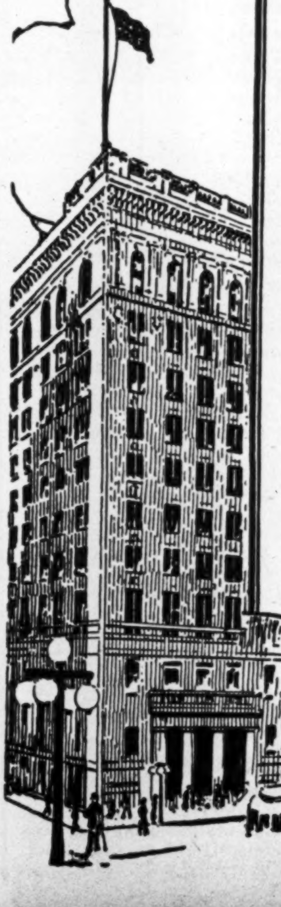

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New Riches for Canada from Tobacco Growing As Our Exports Rise

Industry Now Brings Seven Millions Annually to Tobacco Farmers—Canada Grows 70% of its Home Consumption of Tobacco—Churchill Tariff Helps

By JAMES P. MILLAR.

Extraordinary expansion of the tobacco-growing industry in Western Ontario in the last few years is again brought to the front by the announcement of increased acreage to be devoted to the 1927 crop.

An examination of the situation shows that organization by producers for more extensive output seems to have plenty of sound justification. While tobacco-growing has flared up in Ontario at least twice before in the last fifteen years, it dropped away again to nothing because there was no good reason for the movement except the fact that land could be found in Ontario to grow the crop. Now, however, it is different. It is a fact that Western Ontario growers have just obtained the highest price ever paid for tobacco grown in Ontario. Canadian tobacco enjoys an immense advantage in the British markets over tobacco produced outside the Empire, because of the preferential tariff. The quality of the western Ontario leaf has been proven, the land is available, and the market is waiting. Furthermore, the growers are forced, in a sense, to step into the tobacco business, because the important corn crop on which many of them depended is now necessarily abandoned because of the ravages of the European corn borer. Another crop must be grown in the place of corn. Hence the flare-up of tobacco-raising activity. In many counties, the tobacco people are bringing in Kentucky tobacco workers to assist with the crop. Operations this year promise to be on the largest scale yet.

Canada Produces 30,000,000 lbs.

According to figures recently presented in the House of Commons by Hon. W. R. Motherwell, minister of agriculture, Canada produced from 28,000,000 to 35,000,000 pounds of tobacco in the year 1926. This production was divided as follows: Ontario, 20,000,000 to 25,000,000 pounds; Quebec, 8,000,000 to 10,000,000 pounds. The value of the crop for the last two years to the growers, amounted to slightly over $7,000,000.

Of the entire crop produced in Canada during 1926 over 7,000,000 pounds have been exported up to the present time. The greater proportion of this exported poundage was produced in Ontario. Produced in the districts of Essex, Kent, Elgin, and Norfolk, this business netted the growers no less a sum than $2,000,000. Exports of this commodity from the Dominion are practically all in raw leaf form, and they have increased very rapidly during the past five years. The shipments in 1921 amounted to 200,000 pounds; this, however, had grown so rapidly that the export figures for 1926 showed almost 7,000,000 pounds.

Tobacco grown in Ontario is of the burley, flue-cured, green-river, dark fired-cured types; while Quebec produces cigar binders, cigar fillers, and rough-cut pipe smoking.

Most of Exports Go to Britain

The greater part of the 7,000,000 pounds of the 1926 crop already exported was sent to Great Britain, and an average price of 27 cents a pound was obtained by the growers, or about the highest price ever gained by the tobacco-producing industry in the Dominion.

Tobacco producers of western Ontario have benefited to an amazing extent from the preferential tariff of 25 per cent. of the import tax of $2 a pound on tobacco entering Great Britain. In the two years which have elapsed from the time in which Winston Churchill announced in the British House of Commons the granting of this preference, the production of leaf in western Ontario has doubled. Exportation of tobacco in that time has increased to such a large extent that it has almost been tripled, rising from 2,276,465 pounds in 1924 to 7,000,000 in 1926.

New Preference Gives Encouragement

The further increase of 16 cents a pound import tax on tobacco entering Great Britain just announced, taken in consideration with the guaranteeing of the preference for the next eight years, gives great encouragement to the producers of the Empire.

When an analysis of the price situation is made, it can be readily seen that the Empire growers enjoy an immense advantage in the British markets over the United States and other foreign tobacco growers.

The import tax of Great Britain on tobacco not grown in the Empire has been $2 a pound. On leaf grown in the Empire, with a basis of 25 per cent., the tax is $1.50 a pound. Taking the price of Kentucky tobacco at from 9 to 11 cents a pound, and the growers of the Dominion receiving 27 cents a pound for their product, it will be seen that the Canadian product sells to the British manufacturer at 32 cents a pound cheaper than the lower-priced American leaf.

Savings to British User

The cost to the British manufacturer is tabulated as follows:

	Amer. Leaf	Can. Leaf
Import tax	$2.00	$1.50
Tobacco price	.09	.27
Total cost in Britain	$2.09	$1.77

The British preferential tariff has affected the tobacco producers of Kentucky to such an extent that many of them are now unable to make even the costs of production, and the farmers in that territory are becoming so alarmed over the outlook of the industry, which has been the sole business of many Kentuckians for years, that they are offering their lands for sale. Very little work is being carried on in regard to the maintenance of the soil for tobacco production. Many Kentucky growers are migrating to Canada, where they vision a veritable land of promise for their talents. Already there is a large number of them employed by the various producers in southwestern Ontario.

Further benefit will accrue to the Canadian growers through the increased imposition announced by Winston Churchill in his budget speech last week. As the Empire preference rate of 25 per cent. will also apply to this increase, Canadian growers will enjoy a further advantage of 4 cents a pound over the American competitor. The tax on American leaf will be $2.16, against only $1.62 on the Canadian tobacco. This will increase the Canadian advantage to 54 cents instead of 50 cents.

Produce 70 Per Cent. of Tobacco Used

Of further significance is the fact that 70 per cent. of the entire tobacco consumed in the Dominion is produced in Canada.

The Federal Department of Agriculture is expending a great deal of energy in trying to further build up the market for Canadian tobacco in Great Britain by extensive publicity through exhibits and other activities in an endeavor to acquaint the British public with the merits of the Canadian product. It is further directing its energies in trying to improve the quality and increasing the quantity of export types in growing districts already established in the Dominion. As a result of experimental work carried on by the department, the growers have gained valuable information on the proper mixtures and most economical application for different types and on different soils.

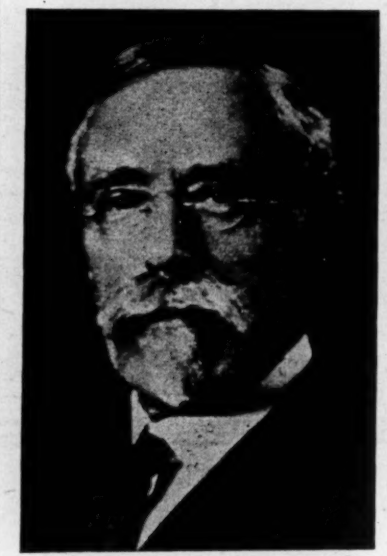
The market for the Ontario product has grown to such an extent that, according to Col. S. B. Lee, a former Kentuckian, and now manager of the Kent Plantations, Limited, even if every available acre in Ontario, where soil and climate are suitable, were grown in tobacco, the trade could not be supplied. The only effect that this would have would be to reduce the export from the United States.

Export Dark Tobacco Now

At the present time Canada can absorb a great deal more of the light flue-cured tobacco than it can produce. This tobacco is grown in light, sandy soil, and is mostly used in the manufacture of cigarettes. Dark and dark-fired tobacco constitute the entire export business of Ontario with the United Kingdom at the present time, and, due to the preferential tariff, this is steadily expanding. It is only very recently that this type of tobacco has been given any consideration by the growers of Ontario. However, in 1925 there were 4,000,000 pounds produced. In 1926 this was augmented, and growers realized good prices, receiving from 33 to 35 cents a pound.

While many British manufacturers were of the opinion that Canadian tobacco would be unsuitable for their trade, believing that there was a difference in the taste which would not be relished by the British smoker, experts claim that Canadian tobacco, if it is properly grown and properly cured, cannot be distinguished from the American leaf, and this contention is borne out by the increasing demand from Britain for the Canadian product.

This is the Man Who Set Wall Street on Edge



PROF. WILLIAM Z. RIPLEY,

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Business in Newfoundland

Propose Selling Labrador to Bring About Lower Taxes

A Quarterly Feature of The Financial Post.

ST. JOHNS, Newfoundland.—Poor returns from fishery operations last fall and winter have not been at all conducive to stimulating Newfoundland business and though the first quarter of the current year was extremely dull, there are one or two spots which hold out hope that conditions will pick up after the return of the sealing fleet. The financial position of the government does not show any change for the better. The drop in imports, due to lower per capita purchasing power of the Newfoundlanders' has cut into revenue. It is understood that the shortage, combined with the railway deficit for the current fiscal year ending June 30, 1927, will show an adverse balance of $3,000,000 and that the government will place a loan to take care of this and other public works.

Suggest Selling Labrador

In view of this, the recent decision of the Privy Council regarding Labrador comes at a very opportune time and if the area which was under dispute, covering as it does 110,000 square miles, containing extensive timber limits and valuable water powers, can be sold to Canada at a reasonable price, with payments spread over an extended period, it would enable the Government to reduce taxation, which is now excessive. A portion of the money received could well be spent in developing the fisheries along scientific lines—a matter that has received little or no attention from any government in recent years. If taxation is not reduced, it is difficult to understand how the fisheries, which are still the mainstay of the country, can be conducted profitably.

There was little money in circulation and St. John's merchants found difficulty in collecting debts. Factories, however, are running to capacity in anticipation of spring business. Importations are light on account of most businesses being overstocked, owing to the small turnover last year. Labor conditions were good last year due to the new hotel and rebuilding of drydocks, but the prospect for this summer is not encouraging.

Fishing Industry Dull

The fishing industry, the principal source of revenue, is still somewhat stagnant. Although stocks are light in St. Johns, there is a good deal of late fall fish held in the outports, good weather being necessary before it can be dried and shipped. The Channel district has benefited by mild weather, the estimated catch of halibut being 500,000 lbs., which has been sold at an average price of 10 cents a pound. Fishing in that area commenced late in December, which is unusually early, as operations do not generally get under way until March. Banking vessels are now being fitted out on the West Coast for spring operations on the same scale as last year.

Marketing has been carried out under some difficulties this year. The heavy catch naturally resulted in a heavy surplus for exportation. Competitors in Sweden, France, Spain and Portugal have also had good catches and this has resulted in keen competition. The West Indian market, however, has taken a large proportion of the Island catch, demand from Jamaica being particularly good.

Sealing Prospects Fair

Much interest centres around the sealing fleet this year. Returns from last year's labors were the best recorded in many years and did much to put into circulation large sums of money. Nine vessels, carrying 1,630 men, left St. Johns early last month for the sealing grounds, and advices indicate a heavy kill. By March 23, 133,000 pelts had been secured, as compared with 211,531 for the whole of the previous year. This is considered to be satisfactory. Reports at the beginning of April stated the fleet had encountered many large herds but owing to ice conditions, the catch was less than anticipated.

Extensive Mine Operations

Mining was more active during the first quarter and work proposed or under way may result in important developments. The iron deposits on Bell Island have been worked continuously, with some 1,300 men employed with a monthly payroll aggregating $90,000. Ore shipments during 1926-27 totalled 1,100,000 tons, as compared with 865,000 in the corresponding period of the preceding year. Additional tonnage was shipped to Germany, which is the principal market for Newfoundland ores. The Besco shake-up is not expected to affect operations.

Some activity is expected this year in prospecting and exploitation of mineral deposits on the main island. The Anglo-Newfoundland Co. has let a contract to the American Mining and Smelting Co., to conduct exploratory and development work on certain of its properties. Work already done has been so promising that construction will start as soon as weather permits on a branch line to connect with the Newfoundland railway, while at the same time the company will proceed with the installation of the first unit of a plant to crush and prepare the ore for shipment. The ore which has been discovered is a somewhat unusual and complex one, but giving satisfactory assay values and containing zinc, lead, copper, with some gold and silver.

In addition to mining developments, it is anticipated that further industrial expansion will take place this year, but at present the immediate prospect is not too sanguine.

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Self-Styled Editor is Spoofing Investors

The Financial Adviser Tries Out New Game to Make Luckless Investors Part With Money — Boiler House Methods Used to Sell Stock

From Our Own Correspondent.

MONTREAL.—The more or less general level of prosperity which prevails in Canada unfortunately brings in its wake "high pressure" individuals who apparently obtain a very satisfactory living from unwary investors. There are many ways in which the uninformed investor is made to part with his hard-earned money.

The Financial Adviser, published by the Acme Publishing company of 190 St. James St., Montreal, and edited by one Herbert Howard, has devised a new way in which investors can be made to place their funds in highly speculative securities—probably much to the advantage of one Herbert Howard, the self-styled editor of the Financial Adviser. The Financial Adviser is a mimeograph tipping sheet sent out daily over the name of the editor. Thousands of people throughout the country have been asked to take a trial subscription for one month.

First Tips Good Stocks

HerbertHoward from day to day tips off good stock. As the market has been rising over the past few weeks, the editor's prognostications have been pretty well fulfilled. But here is the catch. Amid all his tippings of sound securities, Herbert Howard suddenly inserts each day a little paragraph on some speculative security, known only to a few. He stresses this speculative issue, which may or may not be listed, for a few days, and finally the luckless subscriber to the service is called up by no less a person than the famous financial editor, Herbert Howard himself.

Howard suggests to the subscriber—who perhaps congratulates himself on attracting the attention of such a well known financial and economic writer—and advises the purchase of some wild out-and-out gamble. The editor even says that he himself will place the order for the subscriber.

Had any luckless subscriber followed the advice given by Howard in the Financial Adviser regarding good stocks, he would probably have made money, and thus the appeal to purchase the speculative issue would be more attractive. In any event, Howard loses nothing, he either gets snubbed by the subscriber or else he is able to pass off on unwary individuals a security for which no real supply and demand market exists.

The Same Old Game

Obviously, Herbert Howard must stand to gain from the sale of the wildcat securities which he has the audacity to recommend in this fashion, for financial editors have no interest in 'phoning clients and tipping them on the market.

Investors in Montreal have been telephoned by Howard who usually winds up his high powered harangue by suggesting that he, the well known editor himself, place the order for the wildcat stock for the investor.

Complaints have been received also by The Financial Post from investors who have been unwise enough to take a trial subscription to the Financial Adviser and who have been called up by Howard with his boiler house methods on the long distance telephone.

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Canadian Light Stock Appreciates in Price

From Our Own Correspondent.

MONTREAL.—There has been a considerable amount of activity in the shares of the Canadian Light and Power Company on the Montreal Curb Market. The stock sold up to over 32. The present price seems to be high for a stock upon which dividends are still some years away—at least, the latter is the opinion of some of those well acquainted with the operations of the property.

The reason for the present demand for the stock probably originates from investors who feel that any subsidiary of Shawinigan and Montreal "Power" must in the long run make satisfactory progress.

Montreal Power and Shawinigan jointly control the United Securities, Limited. This company owns $1,300,000, or about 40 per cent. of the first mortgage bonds of the Canadian Light and Power, and in addition, about 55 per cent. of its common stock.

Seeding in Saskatchewan General by Next Week-end

From Our Own Correspondent

REGINA.—Except for a small amount of discing and plowing in isolated spots on light land, no seeding or work on the land has been done in Saskatchewan, according to telegraphic reports received by the statistics branch of the department of agriculture. The soil is saturated with moisture as a result of the deep snow during the winter, and a wet backward spring. In several districts it is expected that the land will be sufficiently dry to start seeding next week and a very few expect to do some work on the land the latter part of this week but there are some districts where the land will not be ready before May 1.

Spring operations in the northern part of the province appear to have been further delayed by a recent snow storm. Seeding will probably be about ten days later than last year. There appears to be a sufficient supply of seed in most districts although a few correspondents report a scarcity of seed oats. Live stock are showing the effects of a long severe winter, and spring is coming as a welcome relief in many districts.

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McMASTER TELLS HOW PROFITS HAVE BEEN PLOUGHED IN

Steel of Canada's Earnings Are Moderate in Ratio to Investment

An interesting analysis of the earnings position of Steel Company of Canada was detailed by R. W. McMaster, president, in his address at the annual meeting in Hamilton on Wednesday.

"A substantial share of the profits of past years has been reinvested in the business," said Mr. McMaster. "A true measure of the results is only possible as compared with the amount of capital employed. Taking the figures over the past six years, from 1921 to 1926 inclusive, the profits, after depreciation and bond interest have been provided for, show an average annual return of 4.65 per cent. on the total average capital employed. Of this, .90 per cent. was derived from investments and 3.75 per cent. from operations. For 1926, the report shows a return of 6.11 per cent. on invested capital, of which .96 per cent. was derived as income from investments and 5.15 per cent. from operations."

Mr. McMaster expressed the opinion that, viewed in the same light, the earnings of practically all companies engaged in the steel business on this continent have not been regarded as yielding an adequate return on the amount of investment involved. Mr. McMaster continued, in part:

"When reference is made in the report to the heavy importations of steel, which, for the past year, exceeded the tonnage of domestic production, it is not intended to advance the claim that all of this tonnage could be manufactured in this country. The principal source of discouragement is that the steel output of the country has not shown any growth in the aggregate during the past 15 years.

"You will be interested in knowing that the per capita production of steel in the United States in 1926 was 902 pounds, as compared with 178 pounds per capita in Canada.

Lower Costs, Lower Prices

"It is certain that lower costs will inevitably be translated into lower selling prices, but such conditions are impossible of achievement if adequate consideration is not given the necessity of fostering the growth of the steel industry.

"While a unanimity of opinion does not prevail in all parts of the country with respect to matters of fiscal policy, only the extremists fail to admit that industrial growth, as applied to manufacturing, is entitled to its proper place in the future development of this country. There appears to be an extensive body of public opinion which believes that such industry can grow and develop in step with similar progress in agriculture, mining and other natural pursuits. This is a hopeful sign and gives ground for believing that a broader outlook may prevail in respect to the encouragement of industry in suitable lines of manufacture as a means of supporting the productive effort of the country and likewise as a means of sustaining immigration and taxation.

Should Encourage Investment

"The opinion has been expressed that industrial profits will be obtained in future, to a greater extent, from the reduction of costs rather than from higher sales prices. If such conclusions are correct, it will be evident that our tariff policy should encourage the investment of capital in appliances which will tend toward more efficient production. At the same time, a similar responsibility rests upon us as manufacturers to adopt the methods and to instal the equipment which will ensure these results.

"With regard to the operations of the current year, sales and earnings are about on a parity with last year, as far as comparative results are available. The outlook for this year has been promising, except that in spite of the very fair volume of business passing prices of certain lines have shown still further declines.

"Our entry into the production and sale of by-product coke for domestic use has been quite successful. It has enabled us to operate our ovens at full capacity, with consequent reduction in cost of coke, besides yielding an increased volume of by-products for use and sale.

"Regarding the addition to our sheet mills at Hamilton works. When we first commenced the manufacture of steel sheets, early in 1918, they were not produced in this country, and we were encouraged to do so largely because of the then prevailing shortage of steel in all forms. While the mills have operated since that time on a reasonable basis, experience has shown that the installation is not of sufficient capacity to compete successfully under the existing Customs duties of 12½ per cent. general tariff and 7½ per cent. British preference, which rates are subject to 5 per cent. leeway under the Dumping Act, making the net amount of protection quite limited.

"It is decided, therefore, to double the capacity of the plant, which has involved its entire rearrangement. When the changes are completed next month we will have six hot mills, four cold mills, an entirely new annealing department, increased stock and shipping accommodation, as well as two units for the manufacture of galvanized sheets. The latter will constitute an addition to our already varied list of products.

"For the coming year we are planning certain changes in connection with our power plant, as well as improved stock bins at blast furnace B and extension of rod mill building for installation of patenting furnace. These improvements, like other expenditures of the past few years, have as their object the reduction of costs, thereby affording greater stability to existing plant investment.

"The importance of such stability to the iron and steel industry will be appreciated when it is understood that, in the aggregate, the value of plant and properties exceeds the amount of yearly sales. This is explained by the fact that in addition to the investment in coal and ore mining properties, the crude materials are processed through several stages of manufacture, involving the turnover of the same product from department to department, where, in each case, the extensive use of mechanical equipment adds greatly to the amount of capital required."

There is no change in directors or officers.

Production of coal on Vancouver Island for January and February was 242,169 long tons as compared with 194,952 for the same period last year.

Stock Market

MARKET INDICATOR

20 Industrial Stocks	High	Low
Week of Apr. 20	96.1	94.4
Week of April 13	94.6	91.7
Month of Apr., 1926	83.3	77.4
9 Bank Stocks		
Week of Apr. 20	$240	$239
Week of April 13	240	239
Month of April, 1926	226	222
10 Public Utilities		
Week of April 20	109	107
Week of April 13	109	107
Month of April, 1926	94	91

WEEK'S GAINS AND LOSSES

	Gains	Losses	Unch.	Total
Banks	2	3	4	9
Paper	4	7	5	16
Steel	12	9	20	41
Foodstuffs	13	17	16	46
Utilities	6	11	13	30
Tractions	4	4	7	15
Industrials	18	11	25	55
Textiles	6	4	7	17
Total	65	67	97	229

CHRISTIE-BROWN PROFIT IS SHOWN TO BE GROWING

Half of Bonds Issued Two Years Ago Have Been Retired

Net operating profit of Christie, Brown & Co. in the first quarter of 1927 was $104,023, it was revealed at the annual meeting of shareholders April 20th. This three months' profit is approximately double the profit of the corresponding period of 1926 and compares favorably with the profit for the entire year 1926, which was $292,449.

C. E. Edmonds, J. F. Lash, K.C., F. K. Morrow, R. C. Matthews, Rodney Hitt, L. M. Gardiner and G. K. Morrow are the directors elected. Mr. Edmonds is president and Mr. Lash vice-president.

Christie, Brown & Co. on April 15th retired $50,000 additional of the 6 per cent. bonds, the outstanding bonds now amounting to $500,000. The original issue, in 1925, was for $1,000,000. Rumors of an increase in the dividend on the common stock apparently have no foundation in fact. It is said to be the policy of the directors to use earnings in excess of immediate requirements for retirement of bonds.

Working capital of the company has increased in three months from $494,453 to $545,796.

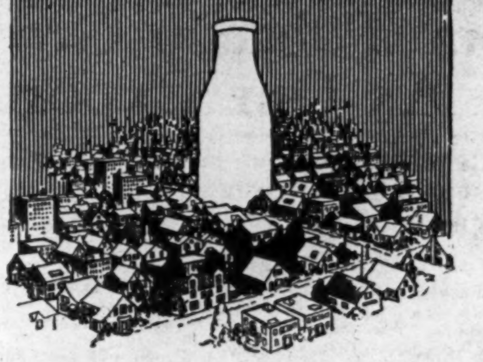
Well-Known House Changes Name to Willison Neely Corp.

Extension of operations into the industrial field and desire for a more representative name, has caused the Municipal Bankers' Bond and Sales Corporation, Ltd., to change its corporate name to the Willison Neely Corporation, Ltd. The new company will continue to deal in government, municipal and high-grade industrial bonds.

The personnel of the organization remains unchanged and the board of directors governing the Willison Neely Corporation, will be as follows: Sir John Willison, Kt., LL.D.; Sir William Hearst, K.C.M.G., LL.D.; A. E. Warren, John McMillan, W. H. Gregory, Colonel S. R. Peplar, T. A. Neely, Frank Kennedy, H. Addison Johnston, D. W. Gordon, G. W. Curtis, G. H. Rennie, R. B. Hutcheson, M.P.; R. H. Pringle, T. W. Foran and J. A. McRae.

This change in no way affects the organization or personnel of the Municipal Bankers Corporation, Ltd., which will continue to deal in mortgage loans.

Important changes in New Brunswick's mining regulations are foreshadowed in a bill introduced in the legislature by the minister of lands and mines.



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GRAIN TRADE MAY ABANDON COUNTRY ELEVATOR SERVICE

Would Let Government Handle Least Profitable End

From Our Own Correspondent.

OTTAWA—As a result of legislation passed at the session of parliament just concluded, the struggle for existence which has been waged between the privately owned grain companies and the wheat pools has now entered the final and the most critical phase. It is being predicted freely by prominent grain men and by disinterested persons who are well informed that the next six months may well witness a crisis in the grain trade without precedent in Canada. As a matter of fact, is it not unlikely that that the federal government may have to intervene, in order to protect the interest of the country as a whole and take over the country elevators and operate them.

This struggle, which is by far the most gigantic that has taken place in the Dominion, commenced in 1923 with the formation of the first provincial wheat pool in Saskatchewan. In the following year Manitoba and Alberta followed the lead, although there were slight differences in the manner of organization. These three pools then created a centralized selling agency.

Wanted Grain Handling Profit

The wheat pool was brought into existence to market the farmers' grain and to give to him the margin of profit which he thought ordinarily would be the prize of the grain merchant.

For the first three years the pools operated at a decided disadvantage. They had only a few country elevators and the Canada Grain Act did not compel country elevator owners to guarantee the grade and weight of wheat taken in for shipment to the head of the lakes or to Vancouver. It was the common practice of country elevator operators, however, to guarantee both grade and weight if the farmer permitted the elevator to nominate the destination of the grain. Just why this was a decided disadvantage will be seen in a moment. If a farmer joined the wheat pools, he must ship his grain to the pool, and if there was not a pool elevator available he had to run all the risks of losses en route and of being given a lower grade at the terminal point. This was the great weapon which the grain trade had in this fight with the pools and it was used to the limit. Farmers simply could not afford to run the risk of accident by rail, and a farmer who had a crop of good quality, scarcely could be expected to take chances on the grade.

The pools fought back in two ways. They built elevators as quickly as possible and by capturing the Saskatchewan Co-operative Elevator Co. —a successful instance of boring from within—they obtained control of several hundred of elevators. The Saskatchewan Co-Operative was captured in 1926.

At the present time there are approximately 2,500 country elevators in the three prairie provinces. Of these the pools own less than one-half. The total investment involved is about $30,000,000 and through these elevators grain, to the value of nearly $500,000,000 passes each year.

Used Legislative Weapon

The other avenue of attack developed by the pools was legislative. The pools, through western members of parliament, sought an amendment to the Canada Grain Act compelling country elevators to guarantee both grade and weight on all grain received. Once this amendment became law, any farmer could join the pools and ship his grain to the pool elevator at the head of the lakes or the Pacific Coast without incurring any risk. The possession of country elevators ceased to be a factor in the battle once this legislation was enacted.

The amendments were defeated in 1925 by the Senate. In 1926 the amendments were passed in the House of Commons and were still being considered by the Senate when the parliament was dissolved. In 1927 after a sharp struggle the amendments were passed by both Commons and Senate and on April 14 last, became law.

Make Money at Terminals

Having lost the battle in parliament, the grain trade are now considering their future policy. There are several important factors involved with which those who are unacquainted with the grain trade may not be familiar.

Country elevators are merely feeders for terminal and hospital elevators. The great profits in the grain trade are made at the terminal elevators. The explanation is simple. Grading at country points is loosely done. The farmer does not suffer on this account because the grading at the country elevator is checked up by government inspection at specified points through which all grain must pass. There are no facilities either on the farm or in country elevators for treating grain. It receives the grade to which it is entitled at the time it is brought in to the country elevator.

Once in possession of this grain, the grain trader, who owns a string of country elevators as well as terminal elevators, can bring it to his terminal elevators and proceed to make some money by judicious mixing that enables him to meet grading requirements at minimum expense.

No Money in Country

However, in order to get these opportunities for profit making he must have a line of country elevators and he must get the grain. Hitherto he has been able to do so because unless a farmer permitted grain to be sent to his terminal, no guarantee of grade or weight would be given. Now this advantage is removed.

The position of the grain merchant, however, is still further prejudiced. In past years the grain trade has competed at country points for the grain. Charges for handling grain, for storing it, weighing and grading it, have been reduced below cost in order to attract the farmer. The elevator owner was willing to lose money on the country elevator in order to get the grain, because he knew he would make it all back and a good deal more at the terminal.

Yet to-day he is compelled by the new law to give all the services of his country elevator and dispatch the grain to the terminal of his competitor. From now on the operation of country elevators will cease to be attractive although they are an essential link in the great transportation chain which carries the grain from the grain field to the ultimate consumer.

These are the factors which the grain trade is now considering. There is no immediate urgency and it is unlikely that an important decision will be reached until mid-summer. The situation will not become acute until the 1927 crop commences to move.

Let Government Run Them

Reliable information is to the effect that the majority of the grain men are of the opinion that the best course to follow is to close down all elevators. To continue to operate, according to these men, would be ruinous. If elevators are closed down the government would be compelled to operate them because the service must be given or the wheat crop would be ruined. In that event the elevator operators would be entitled to some compensation.

Present indications are that this course may be adopted.

WOOL GROWERS' PROFIT $10,723 IN 1926

U.S. and British Conditions Make Marketing Difficult

Canadian Co-operative Wool Growers in 1926 had a net profit of $10,723 on a capitalization of $105,000, after most liberal appropriations for reserves and depreciation. The profit for the preceding year, ended February 28, 1925, was $14,907. Gross wool sales were reduced in the last year $725,377, compared with the high figure of $1,066,877 the previous year.

Wool has been hard to sell in all markets, the management reported. The tariff restrictions in the United States have militated against the export of Canadian wool to that market, while there was a tendency to buy only for immediate needs. The coal strike affected the English market.

The Canadian wool clip for 1926 was 11,692,000 pounds from 1,665,000 sheep. This is an increase of approximately 10 per cent. in a year. While the Canadian Co-operative Wool Growers is a corporation operating for the profit of its members, it is effective in promoting the sheep raising industry in Canada.

Profit and Loss
Year end Feb. 28

	1927 $	1926 $	1925 $
Sales	104,097	103,464	104,774
Expenses	86,352	82,747	71,525
Depreciation	7,021	5,809	7,430
Income Tax	1,518	1,241	2,061
	9,206	13,667	23,758
Less Appropriation—			
Dividend	7,339	7,268	7,274
Prov. for Rebates	....	....	6,844
Reserve	....	5,000	10,000
Surplus for year	1,867	1,399	x360
Prev. surplus	3,771	2,373	2,734
	5,638	3,772	2,374

x—Debit.

NAT. GROCERS BEGIN WITH FAIR EARNINGS

First Preferred Dividend is Available After Bond Interest

Gross profits of National Grocers in the six months ended December 31, 1926, were $196,811 and the net profit, after reserve for income taxes, amortization of bond discount and organization expenses and contingent reserve totaling $70,422, the net profit remains at $120,389. Current assets were given at $6,629,045 and current liabilities at $3,172,965. The working capital thus is $3,456,080.

Gross sales in the six months were $11,472,805.

National Grocers is a merger of 23 wholesale grocers in Ontario. The company controls about 57 per cent. of the wholesale grocery trade of Ontario. While the company has had difficult problems of personnel and co-ordination to solve, it is said that the way is now clear to a period of normal operation and otherwise successful results.

The capitalization of the company is $2,000,000 of 6½ per cent. seven-year sinking-fund, gold notes, $1,000,000 of first preference of $100 par value, $2,787,000 of second preference of $100 par value and 292,476 shares of common of no-par value.

Thus the company is earning the first preferred dividends after payment of bond interest at the rate of $130,000 annually. The second preferred, it is understood, was issued to owners of the properties taken into the merger in return for the assets acquired.

UNLISTED SECURITIES

	Bid	Asked
Brooks Motor, 1 pref. & com.	3	4
Do., 1 pref. and 2 com.	..	7
Can. Machinery, com.	5	7
Can. Westinghouse, com.	187	..
Chase, A. W., com.	..	8
Do., pref.	..	80
Goodyear Tire, 6% pref.	98	101
Gunns, Ltd., pref. (new)	102	..
King Edward Hotel, Deb. A	78	80
Farmers Dairy, com.	67	..
King Edward Hotel, Deb. B.	72	74
Loew's Buffalo, pref.	40	45
Nat. Grocers, 1st pref.	94	96
Nat. Grocers, com.	1	4
Continental Life, 20% paid	45	50
Crown Life	188	..
Empire Life	27	31
Excelsior Life, 20% paid	75	..
Great West Life	425	450
Monarch Life, 10% paid	38	43
Mortgage Discount, pref.	6¼	6¾
Ontario Equitable	27	30
Security Life, 40% paid		28
Sun Life, 75% paid	1025	1150
Toronto Finance, pref.	3	4
Canada Life	900	1100
Capital Life, 20% paid	23	..
Farmers Dairy, pref.	100	105
Dom. Combing Units	24	30
Dom. Sewer Pipe	53	56

Stock Market Record

WEEK ENDING APRIL 19

	Div. Rate	Yield April 18	High for wk.	Low for wk.	Close Apr. 19	Close Apr. 11	Sales for wk.	Range, 1927 High	Range, 1927 Low
Banks—									
Commerce	12+1	5.41	241	240	241	241	187	248	228
Dominion	12+1	5.72	227½	227	227	227½	24	230	225
Can. Nationale	10	6.06	165	165	165	164	150	165	160½
Imperial	12+1	5.87	221	216½	216½	219½	91	222	214
Montreal	12+2	4.79	292½	292	292	292	225	295	272
Nova Scotia	16	5.04	317½	317	317	317	14	321	298
Royal	12+2	5.38	260	259	259	259½	102	266	257
Standard	12	5.91	203	203	203	202	11	207	196
Toronto	12	5.17	232	231	232	232	30	238½	230
Paper—									
Abitibi, com. (no par)	5	5.49	92¼	91¼	91½	91¾	1558	94	82
Do. pref.	7	5.88	..	...	...	...	...	119	113
Belgo-Can. pref.	7	6.81	102¾	101⅝	102	102	185	103	101
Brompton (no par)	$2	6.25	32	31⅜	31¾	32	736	35	31
Fraser, pref.	7	7.17	97½	97	97½	97	30	97¾	96¾
Inter. Paper, com.	$2	3.63	56¾	54¾	55⅝	56¼	3300	60⅞	53⅛
Laurentide	6	5.82	103	100½	102⅞	102	2147	103	98½
Price Bros., com.	2	3.33	60½	60	60½	60½	30	63	59
Do. pref.	6½	6.40	101½	101½	101½	101	10	104	100
Prov. Paper, com.	6+1	5.38	..	...	...	...	...	130	115
Do. pref.	7	6.60	..	...	...	...	...	107	105¼
Smith, Howard, com.	.	...	62	60¾	60	62	341	68¾	60
Do. pref.	8	7.33	109	109	109	109½	70	110	103½
Span. River, com.	7	6.86	101¾	101	101	102	386	102½	98¼
Do. pref.	7	6.08	115½	113	113	114¼	406	115¾	112
Wayagamack	$3	5.08	59	49½	56	48½	4358	59	46½
Steel and Steel Industries—									
B.E. Steel, com.	.	...	..	...	...	...	...	1⅜	½
Do. 1st pref.	.	...	15	14	15	14	81	22¼	10
Do. 2nd pref.	.	...	1¼	1¼	1¼	1¼	680	4	1¼
Can. Car & Found., com.	.	...	44	43	44	45	90	50¼	38½
Do. pref.	7	7.75	90¾	90	90	91	1100	94½	88
Can. Fairbanks, pref.	6	7.31	..	...	...	...	...	82	80
Can. Forgings, com.	.	...	19	19	19	18¼	35	24	18
Do. pref.	.	...	84	84	84	84	25	85	66
C.G.E., com. (par $50)	.	...	51	51	51	50½	6	51	50
Do. pref. (par $50)	7	5.98	58½	57⅞	58	57½	107	59¼	56¼
Can. Locomotive, com.	.	...	..	...	...	...	...	48	40
Do. pref.	7	8.11	..	...	...	...	...	89	85¼
Canada Iron, com.	.	...	..	...	...	...	...	15	12
Do. pref.	4	7.27	..	...	...	...	...	57	42
Dominion Bridge	4+2	4.08	151½	145	151½	150	1801	154	116¾
Dominion Coal	.	...	85	73	85	70	109	85	69
Dominion Iron, pref.	.	...	..	...	...	...	...	5	2¾
Dom. Radiator, pref.	7	7.50	100	100	100	101	1	101¾	100
Dom. Steel Corp., pref.	.	...	22½	22	22¼	21	115	25	20
Ford Motor	10		..	...	...	...	...	436	436
Gould Pumps, pref.	7	7.00	..	...	...	...	...	100	100
Kelvinator, com. (no par)	.	...	12	10	12	11½	320	15	9⅞
Do. pref.	7	7.69	91	90	91	93	265	95	88½
McKin. Ind., c. (no par)	.	...	20	20	20	20	100	21	15
Do. pref.	7	7.86	95¼	95	95¼	95	20	95½	93¼
Do. Voting Trust	.	....	..	...	...	...	...	18	15
Massey-Harris, com.	.	...	135½	131	133¼	135½	2400	138¼	67½
Do. (new)	.	...	34	32½	32¾	33¾	17645	35	29½
Do. pref.	7	6.39	109½	109	109½	109⅝	1068	108¾	100
Ontario Steel, com.	4	5.26	..	...	...	...	...	78	73
Do. pref.	7	7.00	..	...	...	...	...	102½	100
Page Hersey, c. (no par)	$3	4.38	69	66	68	69	350	69¾	55½
Do. pref.	7	5.06	139	138	138½	138	311	140	116
Pressed Metals, com.	.	...	40	40	40	40	175	40	34¼
Do. pref.	7	8.23	..	...	...	...	...	85	85
Russell Motor, com.	3	3.76	..	...	...	...	...	52	52
Do. pref.	7	7.21	96½	96½	96½	97	20	97⅛	90⅛
Sawyer-Massey, com.	.	...	..	...	...	...	...	1	1
Do. pref.	.	...	..	...	...	...	...	22	5
Steel of Canada, com.	7	5.36	133	129½	131	133¾	1021	134	117
Do. pref.	7	5.14	136	136	136	135½	72	137	127
Milling and Foodstuffs—									
Alta. Pac. Grain		...	22	19½	19½	19½	160	27¼	19½
Do. pref.	7	7.77	91	88	90	90	425	92	87½
Arnolds, com. (no par)	.	...	24	22	22	23¾	940	36	18
Do. pref.	7	7.52	95	92	95	91	503	95	84
Atlantic Sugar, com.	.	...	28	25½	27	26	865	30½	24½
Do. pref.	.	...	93	92	95	92	99	93½	90
B.C. Fishing	5	5.88	87	83½	83¾	85½	2273	94½	72½
Do. (new)	$1.25	6.25	22	20½	20½	21¼	3685	22	19½
Do. pref.	7	7.79	90	89½	89¾	90	445	90	88½
Can. Bak., com. (no par)	.	...	35	33	35	34½	125	38½	27
Do. pref.	7	6.96	101	100½	100½	101	17	101½	98
Can. Bread, c. (no par)	$5	4.42	113	109¼	111¼	112	220	116	90
Do. pref. (A)	7	6.08	116	109½	116	110	50	116	108½
Do. pref. (B)	7	6.39	110	110	110	110	85	112¼	103
Can. Canners, com.	.	...	58	50¼	58	51	833	58	21
Do. pref.	4	4.21	97	94½	95	96	1958	97	76
Canadian Salt	8	6.01	133	133	133	136	40	136	123
Christie Brown (no par)	1.20	2.73	44	41½	44	39½	280	44	38
City Dairy, c. (par $25)	$3+1	3.52	113¾	112¾	113½	112½	250	115	79
Do. pref.	7	5.93	118	118	118	118	10	119	112
Cuban Can. Sugar, com.	.	...	..	...	...	...	...	5	2¾
Do. pref.	.	...	33	33	33	34	20	37	29
Wm. Davies (A) (no par)	.	...	30	29½	29½	30	40	33	25
Do. (B) (no par)	.	...	..	...	...	...	...	10	9
Dominion Stores (no par)	$2.40	3.24	77	75¼	77	74¾	300	77¼	65
Hamilton Dairies, com.	.	...	..	...	...	...	...	33	24
Do. pref.	7	7.21	97	97	97	97¾	10	98½	96
Inter. Milling, pref.	7	6.63	105½	105	105½	105½	83	107	104
Lake of Woods, com.	12	8.10	148	145¼	145¼	150	75	160	145¼
Do. pref.	7	5.99	..	...	...	...	...	117	115
Loblaw, com.	$1.25	2.55	49	49	49	49⅛	240	51	48
Do. pref.	7	6.36	108½	108½	108½	110	7	110	107
Maple Leaf Mill, com.	.	...	..	...	...	...	...	75	61½
Do. pref.	7	7.21	99½	98½	99	99½	85	101¼	98
Ogilvie Flour, com.	5	1.85	275	256	275	255	420	275	205
Do. pref.	7	5.69	123	123	123	123	1	123	120¼
Pure Gold Mfg. (no par)	1.50	7.14	21½	21	21½	20	115	21½	19⅛
Shred. Wheat (no par)	$3	4.28	70½	64⅞	69½	64½	6556	70½	55
St. Law. Flour, com.	.	...	30	30	30	30	25	31½	28
Do. pref.	7	8.53	82	80	80	81	22	84	80
Viau Biscuits, com.	.	...	18½	18½	18½	19	25	26	18
Do. pref.	7	7.95	88	88	88	88	20	89	85½
West. Can. Fl., c. (no par)	1.40	5.38	26	25	25	28	515	29½	22
Do. pref.	6½	6.35	..	...	...	...	...	103	100
Western Groc., c. (no par)	$1	3.95	24	24	24	24	5	29	20
Do. pref.	7	8.80	79½	78	79½	79	147	84	74¼
Utilities—									
Bell Telephone	8	5.35	150	148	148½	150	547	158½	137
Calgary Power	.	...	..	...	...	...	...	50	50
Consumers Gas	10	5.52	181	180	181	181	68	182	171½
East Koot. Power	.	...	..	...	...	...	...	29¼	26
Do. pref.	.	...	..	...	...	...	...	98½	96½
Inter. Util. (A) (no par)	3.50	10.29	35	34⅛	34¾	34	350	35	28
Jamaica Pub. Ser., pref.	7	7.00	100	100	100	100	78	100	97
Laurentide Power	5	4.38	115	114½	114½	115	135	120	107½
Mackay, com.	7	5.69	123	121½	121½	122	87	127½	119
Do. pref.	4	5.71	70½	69¾	70½	70	311	74	69
Mexican Light, com.	.	...	42¾	42¾	42¾	42	100	49½	27
Do. pref.	.	...	105	105	105	94¾	50	105	77¼
Mont. L H & Pr. (no par)	$2	2.48	82	80	80	82	5493	82½	68½
Montreal Teleg. (par $40)	8	5.23	49	49	49	49¾	10	50½	49
Nor. Mexico Pr., com.	1	...	58	57	57	58	280	59½	42
Do. pref.	7	8.23	..	...	...	...	...	86	82½
Ottawa & Hull Pr., com.	.	...	..	...	...	...	...	28	27
Do. pref.	7	7.29	..	...	...	...	...	99½	96
Ottawa L. H. & Pr., com.	6	5.94	102	101	102	102	20	102	96
Do. pref.	6½	6.10	106½	106	106½	105	13	106½	102
Quebec Power, com.	6	2.46	245	242	244½	246½	976	248	190
Do. Rights	.	...	43	42	42	43	977	43	31
Shawinigan	$2	2.38	88⅞	82½	84	88¼	17659	89	67
South. Can. Pr., com.	2	2.22	90	90	90	90	85	90	85
Do. pref.	6	5.98	101	100⅛	100¾	100⅛	60	102	100
Transportation—									
Can. Pacific Rly.	10	5.43	185	182	182	183¼	310	190	166
Can. Steamships, com.	.	...	40	40	40	40	25	42	35
Do. pref.	6	6.50	92	90¾	91	92½	956	92½	82½
Do. voting	.	...	..	...	...	...	...	37½	32½
Tractions—									
Barcelona (par $50)	.	...	45½	45½	45½	46	100	48	33½
Brazilian, com.	6	4.47	135	132½	133¼	133¾	11563	135	102½
Do. pref.	6	5.11	117¼	116¾	116¾	116½	388	117¾	104
Detroit Un. Rly.	.	...	3	2	2½	3	235	5	2
Duluth-Superior	.	...	30⅞	30	30⅞	30	105	30⅞	25
Illinois Traction, pref.	6	...	..	...	...	...	...	x100½	96½
Mexican Trams.	.	...	..	...	...	...	...	21	19½
Montreal Trams.	10	5.07	197	197	197	195	45	200	109
Ottawa Traction	4+1	7.29	..	...	...	...	...	70	64
Porto Rico Rlys., com.	2	2.07	..	...	...	...	...	70¾	59
Do. pref.	7	7.29	..	...	...	...	...	96⅛	90
Twin City, com.	4	7.27	55¾	54	54¾	55	690	66	54
Do. pref.	7	7.00	..	...	...	...	...	100	100
Winnipeg Elec., com.	.	...	68¾	67½	68	67½	2772	68¾	60¾
Do. pref.	7	6.86	103	102	103	103	67	105	100¾
Textiles—									
Can. Conn. Cotton, pref.	4	9.30	43	43	43	43	35	50	36
Can. Converters	7	6.63	106	105½	105½	106½	225	107	100
Can. Cotton, com.	8	6.06	..	...	...	...	...	132	120
Do. pref.	6	6.03	99½	99½	99½	98	25	100	95
Can. Woollens, com.	.	...	..	...	...	...	...	10	5
Do. pref.	.	...	60¼	60¼	60¼	63½	30	63½	60
Cosmos Imp., com.	.	...	26¼	21¾	24¾	21½	6709	26¼	13
Do. pref.	7	7.17	97½	96	97	96	207	98	91¼
Dom. Textile, com.	5	4.25	118	116½	117⅝	117	2895	118	105
Do. pref.	7	5.88	120	120	120	120	5	121	117
Monarch Knitting, pref.	.	...	..	...	...	...	...	54	50
Montreal Cottons, com.	6	5.28	113½	113½	113½	113	10	115	110
Do. pref.	7	5.93	118	117	117	116¾	27	118	115
Penmans, com. (new)	$4	5.12	78¾	77	77¾	78	655	78¾	76
Do. pref.	6	5.71	..	...	...	...	...	105	101½
Wabasso Cotton	6	6.48	..	...	...	...	...	116	92½
Do. Rights	.	...	13	12	12	15	269	16½	12
General Industrials—									
Amer. Sales, c. (par $20)	4	6.34	64½	63	64	64	170	75	63
Do. pref.	7	6.96	101	100	101	100¼	74	101	97½
Do. Rights	.	...	4	3	3	4	1423	6	3
Asbestos Corp., com.	.	...	23	22½	23	22½	1734	24¾	21
Do. pref.	7	7.95	88	87¼	88	87	2665	88½	82¾
Building Products, pref.	7	7.21	97	97	97	97	20	97	93½
Brant. Cord. pf. (par $25)	8	8.69	23½	22	22	23¾	285	25	21
Burt, F. N., com.	12	4.83	63⅞	62½	63⅞	63	970	65¼	56½
Do. pref.	7	4.86	..	...	...	...	...	x210⅛	210⅛
Canada Cement, com.	6	4.19	146½	143	145⅛	144⅞	1214	147	124½
Do. pref.	7	5.78	121	120	121	120	91	121	116
C. Ind. Alc. (no par)	1.28	4.41	30⅛	28½	29¾	29⅝	84986	30⅛	21¼
Canadian Oil, com.	5	3.57	140	130	140	130	217	140	99
Do. pref.	8	6.66	120	120	120	120	20	120¼	115½
Crow's Nest Coal	6	9.52	64½	63	64½	64	85	66½	63
Dom. Glass, com.	7	5.90	119	117½	118	118⅝	2029	119	104
Do. pref.	7	6.25	..	...	...	...	...	114½	111¼
Dom. Rubber, pref.	7	8.75	..	...	...	...	...	x87½	80
East Theat., c. (par $25)	.	...	..	...	...	...	...	30	24
Do. pref.	7	7.00	..	...	...	...	...	95	92½
Famous Players, com.	.	...	27	26	27	25	7	30	20
Do. pref.	8	8.22	97½	97	97¼	97	141	101	93¾
Gilman, com.	6	4.91	..	...	...	...	...	x127⅛	104½
Do. pref.	7	6.03	116	116	116	110	50	125	114
Goodyear Tire, pref.	7	7.00	101	100	99	101	162	109	94½
Holt, Renfrew, com.	.	...	..	...	...	...	...	43	43
Do. pref.	7	7.60	92	92	92	92	80	92	85
Hunt's, Ltd., com.	.	...	22½	22½	22½	22½	50	22½	20
Do. pref.	.	...	93	92⅞	93	93½	35	95	92⅞
King Edward Hotel	.	...	60	59	42	51¼	1534	60	20
Laura Secord, com.	.	...	30	29	29	30⅝	215	31	29
Do. pref.	7	6.73	104	103½	103½	103	65	104½	102
Lyall Construction	.	...	..	...	...	...	...	45½	35¾
Loew's, com.	.	...	..	...	...	...	...	47	38
Do. pref.	7	6.73	104	104	104	103	35	105	96½
Nat. Brew., c. (par $25)	4	5.71	70	69¾	70	70	2725	71⅝	65
Do. pref.	7	6.51	107½	107	107½	107½	10	110	105
National Brick, com.	.	...	..	...	...	...	...	10	8
Do. pref.	7	6.54	..	...	...	...	...	81	65
Pacific Burt, com.	6	6.80	..	...	...	...	...	89½	87
Do. pref.	7	6.79	103	103	103	103	4	108	102
Port Hope Sanitary, com.	3	2.30	..	...	...	...	...	130	125
Do. pref.	7	6.54	..	...	...	...	...	107	90
Rogers, Wm., com.	.	...	80	78	78	76	177	80	64
Do. pref.	7	7.14	98	97	98	96	45	100	92
Sher-Williams, com.	6	4.00	150	150	150	152	5	155½	142
Do. pref.	7	5.98	118	117	118	119½	15	120½	117
Seagram	.	...	26⅝	24¼	26	24¾	22571	27¾	15
Sterling Coal	4	11.76	34	34	34	32	50	36	30
Tooke Bros., com.	.	...	..	...	...	...	...	x8	8
Do. pref.	7	8.33	81	81	81	82	10	89	80
Tuckett Tobacco, com.	4	5.73	70	69¾	69¾	70	75	72	69
Do. pref.	7	6.73	104	103¾	104	104	30	106¼	103¾
Woods Mfg., com.	.	...	..	...	...	...	...	45	39
Do. pref.	7	8.53	82	82	82	80½	5	89	80
Trust and Loan—									
Can. Landed (par $50)	10+1	6.50	100	100	100	100	7	100⅛	94
Can. Permanent	12	5.42	220	220	220	220	2	221	216¼
Colonial Invest.	6	...	6	6	6	6¼	12	7	6
Huron & Erie	7½1½	5.28	..	...	...	...	...	142	139
Landed Banking	9	5.29	..	...	...	...	...	170	161
Montreal Loan (par $50)	12+1	6.19	..	...	...	...	...	52¾	50
National Trust	12	4.89	..	...	...	...	...	255	232
Do. Rights	.	...	..	...	...	...	...	25	20½
Ontario Loan (par $50)	12	5.12	..	...	...	...	...	117	111
Real Estate Loan	7	7.00	..	...	...	...	...	100	100
Toronto Gen. Trusts	12	5.15	240	240	240	240	30	240	220
Toronto Mtge. (par $50)	10+1	5.34	103	103	103	102	9	103	100
Union Trust	7	6.48	..	...	...	...	...	110	104
CURB AND UNLISTED MARKETS									
Anticosti, pref.	.	...	..	...	...	...	...	98¾	98
Attendu Engine (par $2)	.	...	19	17½	17½	18	85	35¼	14
Beacon Oil	.	...	17½	16½	17½	16¼	895	20¾	15⅝
Belding, com.	6	8.16	74	73½	73½	74	8	88	70
Do. pref.	7	7.00	..	...	...	...	...	100	100
Brit. Amer. Oil (par $25)	80c	3.00	28	25⅛	27¾	25⅝	14912	28	20
Can. Light & Power	.	...	35	34	34	29	95	35	20¾
Brew. & Distil. (par $5)	.	...	4½	4½	4½	4½	100	5¼	4½
Can. Brewing	.	...	..	...	...	...	...	30¼	24
Can. Nor. Pr., c. (no par)	.	...	51¼	51	51	51	24	52	42
Do. pref.	7	7.07	99	98¼	99	99	55	99½	98
Cockshutt, pref.	4	4.93	82	79	80	81¾	435	82	70
Continental Oil	$1	5.26	19	19	19	19	155	22½	18⅝
Cosgrave Brew. (par $10)	5	7.14	7¼	7	7	7	345	8	7
Cooksville Shale Brick, c.	.	...	..	...	...	...	...	10⅝	10⅝
Do. pref.	4	7.92	..	...	...	...	...	50½	50½
Dom. Engineering	8	4.44	..	...	...	...	...	180	135
Dom. Power, pref.	.	...	..	...	...	...	...	101	100⅛
Dryden Power (no par)	.	...	15	13½	14	14½	845	15½	11
Eastern Dairies (no par)	.	...	27½	25	26	23	691	27½	20
Eng. Elec., com. (no par)	.	...	..	...	...	...	...	16	15
Do. pref.	.	...	..	...	...	...	...	80¼	72½
Good. & Worts (no par)	$1	1.67	60¾	59⅝	59⅝	60	4400	64	43
Hiram Walker	.	...	47¼	43¼	43¼	43	22790	47¼	28½
Illinois Power, pref.	7	7.03	99½	99½	99½	99½	10	100½	98
Imperial Oil	$1+12½	2.54	45	42	43¼	45	8486	47	37¾
Imp. Tobacco, c. (no par)	6	...	6¾	6¾	6¾	6¾	150	7	6¾
Inter. Petroleum	75c	2.41	32	30½	31⅛	32¾	4880	35¼	30⅝
Manitoba Power (no par)	.	...	55	55	55	...	105	58½	50
McColl, com. (no par)	80c	2.34	35½	30¾	35½	...	5610	35½	29¼
Do. pref.	7	6.36	110	109½	109½	...	70	110	100
Mount Royal, com.	.	...	..	...	...	...	...	6	4½
Do. pref.	.	...	..	...	...	...	...	55¾	54
North Star Oil, com.	.	...	2.50	2.50	2.50	...	990	2.50	1.15
Do. pref.	7	1.40	..	...	...	...	...	5.01	1.90
N.S. Car, com.	.	...	..	...	...	...	...	25	18¼
Ott. Mtl. Pr., c. (no par)	.	...	20	20	20	20	2	25	18¾
Do. pref.	.	...	47½	47½	47½	47½	25	48⅝	47½
Ottawa River Pr. (no par)	.	...	25	25	25	25	18	26	25
Do. pref.	.	...	..	...	...	...	...	46	46
Paton Mfg., com. (no par)	.	...	..	...	...	...	...	56	52
Do. pref.	.	...	..	...	...	...	...	100	99
Power Corp. c. (no par)	.	...	33	31	32	32½	1141	33½	27¼
Do. pref.	6	6.18	97	96	96	96	129	97½	94
Port Alfred, pref.	7	7.21	..	...	...	...	...	97½	95
Que. South. Pr. (no par)	.	...	..	...	...	...	...	28½	25
St. Maur. Power	.	...	113¾	110	110	114	103	121	96
St. Maur. Valley, com.	.	...	55	55	55	56	770	57⅛	47
Simpson, Robt., pref.	6	5.88	..	...	...	...	...	102	100½
Sovereign Secs. (par $5)	.	...	1.50	1.50	1.50	2.00	76	2.00	2.00
St. Law. Pap., c. (no par)	.	...	50	48	48¼	48	115	54	39¾
Do. pref.	8	7.47	107	107	107	105	15	108	105
Toronto Dairy	.	...	..	...	...	...	...	90½	90½
Toronto R.S.	.	...	..	...	...	...	...	1.50	1.50
United Secs., com.	.	...	52	50	52	47	225	52	43½
Do. pref.	6	5.76	104¾	104	104	104	22	105¼	103½
Volcanic Oil	63c	1.46	43½	43	43½	43	32	43½	36
Venezuelan Pete. (par $5)	.	...	..	...	...	...	...	7½	6¼

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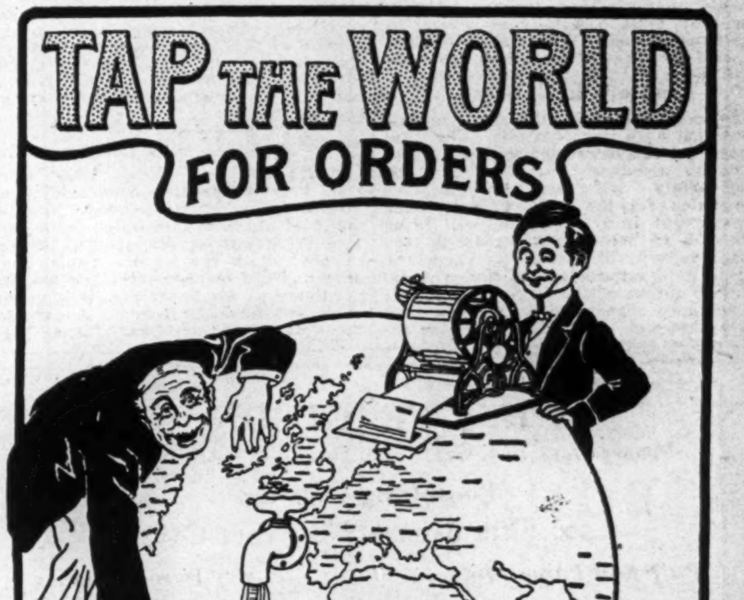

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Pulp & Paper

U.S. NEWSPRINT OUTPUT STARTS INTO DECLINE

Long Anticipated Action Begins — Decline Will be Augmented This Year

From Our Own Correspondent.

MONTREAL.—The long anticipated and long predicted decline in the output of the United States newsprint mills to compensate for the added production in Canada has finally materialized. This statistical portent is decidedly satisfactory as far as the newsprint industry and its shareholders in Canada are concerned. During the first two months of the current year, the newsprint output of the United States declined from 269,691 tons in 1926 to 257,073 tons this year. The decline was more marked during the first three months of 1927, when the output dropped from 415,591 tons in the first three months of 1926, to 390,804 tons this year.

But Domestic Output Up

During the same three-months' period the Canadian output increased by more than 58,000 tons, from 429,444 tons in the first three months of 1926 to 487,804 tons during the same period of 1927. For years prophecies have been made that the U. S. output would decline, with the expansion of the industry in the Dominion, but until 1927 the forecasts of the prophets did not begin to materialize. While the decline in the U. S. output is satisfactory, it is the more satisfactory to note that those with a knowledge of the situation feel that as the year goes on there will be a still further decline in the output of the U. S. mills, some of which will close down, whilst others will switch their machines over to the production of other grades of paper.

Production Compared

During the first three months of the year the production in the Canadian and U. S. newsprint mills compares as follows:

Tons	Canada	U. S.
January	161,724	135,755
February	151,986	121,318
March	174,094	133,731
	487,804	390,804

While there was a substantial decline in the output during the month of February, this was due in part to the fact that it was but a 28-day month; on the other hand, the demand early in the year was decidedly poor. It is satisfactory to note the decided increase in the output during the month of March. In March the Canadian mills operated at 86 per cent. of their rated capacity, and the U. S. mills at 85 per cent. The mill stocks on hand at the close of the month were equivalent to practically four days' average production.

Tonnage is Much Greater

The Canadian mills are at present producing about 6,800 tons of newsprint per day. This compares with a production of 5,000 tons in the United States. The additions to the Canadian newsprint output which are to be made in 1927 are seen in the following table, which shows the new machines coming into operation.

	Tons
To Commence April	
Manitoba	100
†Waterway	90
Ft. Frances	100
Canadian I. P.	125
To Commence May—	
Canadian I. P.	125
Manitoba	100
†Washington	100
To Commence June	
Canadian I. P.	125
Ste. Anne	125
Thunder Bay	100
To Commence August	
Canadian I. P.	125
Ste. Anne	125
To Commence December	
Price	200
Anglo-Canadian	200
St. John	200
	1,940

†In U.S.

The addition of these new machines, with a rated capacity of almost 2,000 tons per day, it is felt, will continue to increase the surplus capacity of the newsprint mills on this continent, with the result that the output of the U. S. should show further declines later in the year, more especially as several of the Canadian mills scheduled to produce in 1927 have closed long-term contracts with some of the larger publishers.

Will Still Be a Surplus

Some of the newsprint mills on this continent have machines idle. The total output of the newsprint mills in North America amounts to more than 1,200 tons daily, and the new machines scheduled for the present year, when finally put into operation, will bring about a 16 per cent. increase in the rated capacity of the mills. Therefore, while it is satisfactory to note the declining output of the U. S., at the same time there appears to be little to indicate that the present hesitancy in the market for newsprint paper will not be continued for some considerable time.

While there are many factors which indicate the continuance of the present hesitancy in the newsprint market, the satisfactory feature of the situation is the statistical verification, as seen in the declining output, that the U. S. newsprint mills are handicapped in their competition with the Canadian plants.

Forest Industries Important to Canada

"Industries dependent on products of the forest are of the utmost importance in our national life. They are second only to agriculture in the national wealth they produce. From the standpoint of the public credit, their export trade especially in pulp and paper, renders invaluable aid in maintaining a favorable rate of exchange with foreign countries. From the standpoint of the people, they, of all industries, return to the workers in the form of wages, perhaps, the largest proportion of the cost of production. It follows that the destruction of the raw materials for these industries threatens directly the future means of livelihood of an important part of our population." — Hon. Charles Stewart, Minister of the Interior.

New B.C. Sulphite Mill Project to Start Soon

From Our Own Correspondent.

MONTREAL.—There seems to be every prospect of another new sulphite pulp mill in British Columbia. A new company to be organized by eastern U. S. capital, at Nelson, B. C., is being considered. Should the project be carried out, the company will operate under the charter of the Kootenay Pulp and Paper Company. The charter of this company covers water powers at Graham Falls, but it is not anticipated that this site will be utilized at first. The interests behind the project have been studying the possibility of such a mill for a period of several months, and have, it is understood, obtained a favorable report on the development.

The plans include a pulp plant to cost around $4,000,000, and a hydro-electric development that would run to several million dollars more. The power plant would probably be located on Pend d'Oreille River.

In negotiating with the city council of Nelson, the paper company officials asked for exemption from taxation for a period of thirty years. According to tentative plans the output of the mill will be 200 tons daily of sulphite pulp. The plant would cost some $3,000,000, and, with operating equipment, would bring the total capital investment up to $4,000,000.

Canada Trust Announces Several Staff Promotions

W. M. Blain has been appointed an estates manager for the Canada Trust Co.'s main branch, London.

John E. Start, who has practised law in Windsor for the past three years, has joined the staff of the Canada Trust Co. as estates manager at Windsor branch.

Austin A. McLeish, who has managed the Windsor branch for about three years, has been promoted to the position of inspector of mortgage loans for both the Huron & Erie Mortgage Corporation and the Canada Trust Co. He is to be succeeded by W. S. Slater, now accountant at Toronto branch. Mr. Slater's successor will be A. B. Taylor, who joined the Toronto branch staff in 1920.

Abitibi Cuts Wood

MONTREAL.—Despite the handicaps due to abnormal weather conditions this winter, the woods department of the Abitibi Power and Paper Company has been able to complete its timber-cutting programme during the past season, says the Broke Hustler, official organ of the company. The timber-cut schedule prepared last autumn has been entirely completed. Snow came early in the autumn of 1926, with the result that the ground, especially in the muskegs, was covered with snow but was not frozen. The mild winter also interfered with the hauling roads.

Sulphate Mills Benefit

MONTREAL.—Of late, bags made from kraft paper have been finding an increasing industrial market. One of the chief channels into which these bags find their way is for use in bagging cement. Both the Dryden Paper Company and the Wayagamack Pulp and Paper Company are benefiting, it is understood, substantially from the demand for these new waterproof kraft paper bags.

WOULD ENCOURAGE PAPER MILLS BY LOWER STUMPAGE

New Brunswick Commission Suggests Way to Aid Forest Industries

From Our Own Correspondent.

FREDERICTON.—When the present New Brunswick government came into power the lumber industry of the province was suffering from a depression. Although the former administration had, just prior to the election, reduced the stumpage upon spruce and pine from $4.00 to $3.00 per 1000 feet yet the lumbermen asked a further reduction and also complained of excessive rates charged against them in the Workmen's Compensation administration. The new government reduced the stumpage still further to $2.50 per 1000 feet for one year and then raised it to $3.50. But it appointed a commission composed of Hon. Judge W. C. H. Grimmer and Fred C. Beattey to make an investigation into the conditions of the lumber industry of the province and to report to the government. This report has just been tabled in the legislature and has the following recommendations:

1.—The stumpage rates should be fixed for five years and should be reduced as follows:

	Pres. rate	Prop. rate
Spruce, pine and hacmatac	$3.50	$3.00
Poplar	3.00	2.00
Cedar	3.50	2.50
Hardwood	4.00	2.00

2.—That the annual license renewals, or so-called license mileage fees, should remain as at present for a period of not less than five years.

3.—That the tenure of leases, due to expire in 1933, be increased from 20 to 40 years from that date for pulp and paper mills, and from 10 to 50 years for saw mills.

4.—That the stumpage limit diameter be eliminated so far as pulp and paper licenses are concerned, and be lowered in case of saw-mill licenses to permit the cutting of undersized logs under approved regulations.

5.—That lower stumpage rates be made on "blowdown" timber.

6.—That the present scale be changed to one more favorable to the operator in case of smaller lumber.

The commission fund that in the cutting of small logs the operator could not get from his lumber the feet of timber upon which he was charged stumpage. It found also that in converting board feet into cords at the scale of 600 feet to the cord the operator suffered, and recommended a change to 500 board feet for peeled wood and a stumpage rate of $1.75 per cord.

7.—That the present rate for fire protection be maintained and fixed for a period of not less than five years, and that greater expenditures be made for fire protection.

8.—That greater use be made of the advisory board, which is composed of experienced and competent lumbermen, in the administration of the crown lands.

It will be seen that all these changes are in favor of the industry and at the expense of the treasury. They are recommended, however, because they are regarded essential for the prosperity of the industry and the welfare of the province.

The commission found that in 24 operators upon crown lands there was an average net loss of $5.54 per 1000 feet including refuse lumber and laths. "Also in 14 operators upon freehold lands there was a net loss of 60 cents per 1000 feet including refuse and laths." Practically all operators upon crown lands in the production of shingles showed a loss on the year's operations. The result of the evidence showed a loss in all hardwood operations.

With regard to the change in the industry from long lumber to the manufacture of pulp and paper the commission says: "A considerable development has taken place within this industry in the past few years, and there are now in operation in the province four chemical pulp mills, one kraft paper mill and one ground wood pulp mill. The prospect, however, seems to point to a further and increased interest in this project possibly in the near future, all of which means the greater necessity for measures of protection being cast around the crown land holdings.

"The lumber industry, and more particularly the saw mill industry, during recent years has steadily declined, due no doubt to general economic world conditions and want of a foreign market. Pulp and paper on the contrary has flourished and developed greatly but the industry is capable of much greater expansion in this province, our lumber being largely of the particular kinds used in the manufacture of the highest grades of paper, and our annual growth undoubtedly equal to that of any other part of Canada. There is material in abundance and a prospect of development of our waterways to supply the necessary power and offer inducement to capital seeking investment."

The commission recommends encouraging the establishment of more paper mills in the province so that pulp wood grown in the province may be manufactured here. The commission finds that the pulp and paper industry has been fairly profitable within the province and sees the future for the lumber industry in this form of production.

Cut Hardwood Fees

The commission urged the reduction of the stumpage on hard woods to 50 per cent. of present rates. It states that the hardwood industry should have a future in the province but doubts if the hard woods of the province are equal to those of other provinces. Men familiar with the lumber stands of the province, however, differ from the commission in this respect. The hardwood industry is new to the province and operators have not learned the best methods of operation but the grade of the wood is good and the future for hardwood industry in the province should be promising.

There will be considerable difference of opinion with regard to some of the recommendations of the commission. Undoubtedly the long lumber industry has been passing through a period of depression and the regulations of the province should be such as to give it an opportunity and at the same time to preserve the future of the Crown Lands and afford the province a fair rental for its forest yields.

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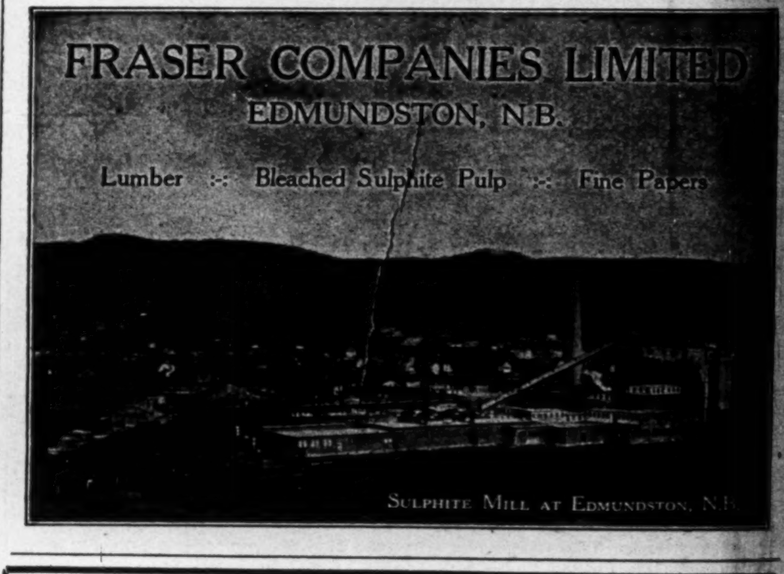

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TUCKETT PROFITS HOLD UP DESPITE BURDENSOME TAX

Annual Report Will Appear About One Month From Now

Annual report of Tuckett Tobacco Co. is expected about the middle of May. The fiscal year ended on March 31st. While it is too early to make more than an estimate of what the earnings will be, it is anticipated that the report will be not dissimilar to the report for the previous year, when the profits were $308,664.

Four per cent. is being paid on the common stock of this company, which, like the other tobacco companies, has been suffering from excessive taxation to a degree not experienced by any other industry. Nevertheless, the company has succeeded in maintaining a fairly satisfactory volume of business and the financial management has been such that there would be a still further immediate enhancement in the value of the common stock, should the taxes be reduced.

Maintains Sales Volume

This company, like the more progressive of its competitors, has succeeded in maintaining a fairly high volume of sales by, in some instances, lowering profits to the vanishing point. The consumer, thanks to the government tax, may not, however, be aware that the cheaper grades of cigars cigarettes and pipe tobacco are being marketed at about cost, plus the taxation which, in most instances, totals about 80 per cent. of the retail selling prices.

Smuggling is still an evil with which the tobacco companies have to contend. It is admitted that commercial smuggling of cigarettes has been curtailed, but it is known that millions of cigarettes are being smuggled from the United States annually by individual smokers and their wives. It happens that the carton of the American cigarette containing twelve packages, is of such size and shape that it will fit into a hip pocket and be concealed effectually by the folds of topcoat from the eagle eyes of His Majesty's customs officers.

Say Lower Tax Would Aid Revenue

It is the contention of the tobacco manufacturers that the government would not lose by reducing taxes on cigarettes and other tobacco products. If the taxes were reduced to the point where smuggling ceased to be profitable, domestic sales would be increased materially, and the government's revenue therefrom would be equal, or greater, than it is at present.

Tucketts have been one of the leaders in producing tobacco products to suit all tastes. Its Buckingham cigarettes have been placed on the market to meet the demand for the American-type cigarette. It has a brand of smoking tobacco which is believed to be one of the best brands being manufactured, while the famous T. & B. brand continues to meet the popular demand for a moderate-priced smoking mixture.

Home Cigars Are Best

While taxation places Canadian cigar makers at a disadvantage in the field of cheap cigars, it is contended that Canadian manufacturers produce a better fifteen cent cigar than is produced in the United States. In that country it is the custom to mix some Porto Rican tobacco with the Havana, while in this country pure Havana is used. Porto Rican tobacco is imported into the United States free of duty and the United States is almost its sole market, while the duty on both Cuban and Porto Rican tobacco entering Canada is the same.

There is reason to believe that the domestic cigar as a rule is better than the imported brand. It is pointed out that Tucketts maintain its own buying agency in Cuba and that the company has a better organization and greater financial strength than any of the Cuban manufacturers, who operate small factories and are not always in position to buy the best grades of their native tobacco.

Outlook for Investor

With Tucketts producing tobacco for every taste and purse in Canada, and with the company in a strong financial position, and with able management and marketing facilities, the position of the stock, from an investment viewpoint, over a term of years, probably never has been better. It is believed that the government ultimately will reduce the taxes to a point which will end the smuggling and enable the company to market its cheaper products at a profit.

Name Directors For New Lord Nelson Hotel, Halifax

Practical steps for the establishment of a modern hotel in Halifax were taken when the Lord Nelson Hotel Co. was formally incorporated and a group of prominent Halifax business men named as its provisional directors. These directors are: J. McG. Stewart, H. R. Silver, Col. H. S. Oland, F. H. S. Zwicker, J. G. Rainnie, W. H. Dennis, Dr. H. K. MacDonald, J. G. Farquhar, J. H. Winfield, M. S. Clarke, F. G. J. Comeau and R. B. Colwell.

The Lord Nelson will be built on the site at the corner of Spring Garden Road and South Park Street.

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DENNIS IS DIRECTOR

W. H. DENNIS

At a meeting of the Nova Scotia Trust Company, held at Halifax on the 15th inst., W. H. Dennis, editor of the Halifax Herald and The Evening Mail was elected a director. Mr. Dennis was one of the leaders in the five year campaign for "Maritime Rights" which has resulted so satisfactorily to the maritimes.

LOAN MERGER IS EFFORT TO MEET NARROW PROFITS

Huron and Erie — Southern Loan Purchase is Sign of Times

CORPORATIONS IN PROPOSED PURCHASE

Official figures from annual reports for 1926:

	Huron and Erie	Southern Loan
Paid-up Capital	$5,000,000	$900,000
Reserve Fund	2,350,000	400,000
Total Assets	39,558,000	3,005,000

Absorption of the Southern Loan and Savings Company of St. Thomas by Huron and Erie Mortgage Corporation, plans for which were announced last week, calls renewed attention to the current tendency towards mergers in the loan company field. Narrowing profit margins, due to higher rates paid for money and lower rates received from mortgage loans have made it necessary for some of the larger companies to seek ways of expanding their business and have made it possible for them to make attractive offers for smaller companies capable of being more actively expanded.

An agreement has been signed by these companies providing for the purchase of The Southern Loan Company by The Huron & Erie at a cash price of $153 for every $100 par value of stock, payment to be made forthwith upon completion of the deal.

The Southern Loan & Savings Company is one of the pioneer mortgage companies of Western Ontario, having begun business in 1870. The institution is in splendid shape having a paid-up capital of $900,000 and a reserve fund and undivided profits of more than $400,000.

Stewart is to Remain

It has been successfully managed by W. J. Stewart, who has been connected with the institution for more than forty-five years and will still remain connected therewith.

The total assets of The Southern are in excess of $3,000,000, its investments being chiefly upon first mortgage securities covering farm lands in the counties of Elgin, Kent and Essex, and loans upon residential properties in St. Thomas, Windsor and Toronto.

Every mortgage security owned by The Southern Loan Company has been inspected by Huron & Erie officials within the past month, and the investments were found to be in satisfactory shape.

The agreement carries the unanimous recommendation of the directors of both institutions, and it is expected it will receive the ratification of the shareholders when they meet next month.

The Southern Loan & Savings Company has enjoyed the confidence of the people of Elgin county and the city of St. Thomas to an increasing degree for over half a century. In 1903 it absorbed the Southwestern Farmers and Mechanics Savings and Loan Society, and The Star Loan Company, both of St. Thomas.

Assume Deposits of Company

Under the terms of the agreement, The Huron & Erie assumes the deposits and debentures of The Southern Loan Company, and the business of that company will be continued by The Huron & Erie in a similar manner as in the past.

It is expected that the office staff of The Southern Loan Company will all remain with the Huron & Erie. In the course of time the office of the Southern Loan will be merged with the St. Thomas branch of the Huron & Erie which is managed by A. V. D. Ball.

The Huron & Erie has secured the consent of all the members of the present board of directors of The Southern Loan & Savings Company to act in the capacity of a St. Thomas advisory board of the Huron & Erie. The names of the directors are as follows: Jas. A. Bell, president; Jas. H. Hopkins, 1st vice-president; Colin St. C. Leitch, K. C., 2nd vice-president; Dr. C. W. Marlatt; J. B. Potts; E. A. Smith, all of St. Thomas; and E. A. Miller, of Aylmer.

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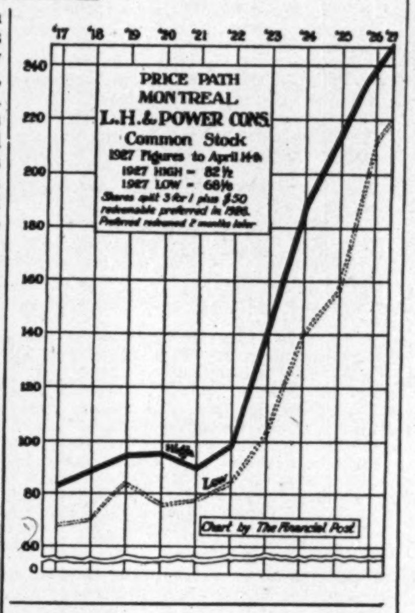
Outlook of Company With Strong Financial Structure Never Was Better Than at Present Time, in Opinion of Market Students



One of the common stocks which long has been a favorite with investors and one which will be increasingly popular is that of the Montreal Light, Heat and Power Consolidated. A glance at the chart shows how this stock has risen steadily since 1918, and the splitting of the shares into shares of no par value a year ago increases the marketability of the stock as well as making the investment available to persons of moderate means.

An investment observer of national repute for his judgment is of the opinion that this stock will continue to ascend so long as Montreal and the territory surrounding it continues to grow and so long as the management and directorate are among the best for enterprises of this kind in Canada.

While there are something like 300,000 shares of this stock outstanding there is noticeable a continual lessening of the floating supply of the stock, which means that the shares are going into safety deposit boxes of investors. It is a stock which should be held, for the reason that the earnings should increase with the population of the territory served and because recessions in the stock market value usually are of only a temporary nature. The speculator possibly, and probably, can make a few points from time to time by going long on this stock in the ordinary sense, but his profit will be much greater if he hangs on and he will save, in addition, the stockbroker's commission.

Working Capital Grows

The working capital of this company increased from $6,824,476 in 1920 to $10,647,090 at the end of 1925. The figures for 1926 show $8,785,899. There are few companies which have prospered so consistently over a term of years as has Montreal Power. The earnings per share have increased from slightly less than $6, in 1920, to about $11 per share in 1925. The rate for 1926 was $3.46 on the new shares, and 1927 probably will average even better.

The company's cash position and current earnings are such that dividends could be increased at a moment's notice and there are predictions that there will be an increase in the distribution of profits before the end of the current calendar year. This distribution, if and when it takes place, will not impair the cash position of the company to any extent, the financing being on such a conservative basis that dividends never are declared before there is ample justification for them.

Better Than Shawinigan

At the same time the common shares of this company were changed into common of no par value, the capitalization was split in half approximately by the issuance of $30,000,000 of 5 per cent. bonds. This means that half of the old capitalization is entitled to receive only 5 per cent., thus increasing the earning power per share on the remaining common stock of no par value. In many instances, it is to the interest of shareholders that there be no funded debt having a prior claim on earnings, but in this company there is a positive advantage in that the funded debt is not excessive and because the bonds were issued at a time when interest rates were comparatively low for this class of security.

Montreal Power, besides being an operating company, is a holding company for a number of subsidiaries of importance including the Cedar Rapids Mfg. and Power Co., and the Montreal Tramways Co. In these and a number of other enterprises Montreal Power is affiliated with the Shawinigan group. In the opinion of some observers, Montreal Power itself is in a somewhat better posititition than Shawinigan, so far as the more immediate future is concerned.

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Manitoba is Likely to Return Its Farmer Government to Power

Bracken and Associates to Reap Reward of Good Times

HAVE GOVERNED WELL

While They Have Been Helped By Tide of Good Conditions, They Have Done Excellent Work

From Our Own Correspondent.

WINNIPEG.—The Manitoba legislature recently completed the final session of its term, and the Bracken government is accordingly to face the electors of Manitoba in a general election this summer. From present indications there is every likelihood of its return to power, and neither Conservatives, Liberals nor Labor stand a great deal of chance of increasing very much their present limited representation. While party names are applicable to government opponents, there is no party name to be attached to government supporters. There is no party organization behind the government, and it is as a government, and not as the representatives of a party that they enter the election.

Call Themselves "Supporters"

Five years ago the general election swept into power in Manitoba the farmers organized by the United Farmers of Manitoba, with city assistance from "Progressive" associations. The organized farmers are not in politics this year, and the word "Progressive" seems to have disappeared fairly completely, although it occasionally crops up. Organization for the election is being carried on by "Supporters of the Bracken Government." A very large meeting of such supporters in Winnipeg a few weeks ago comprised men and women who had formerly taken an active part in politics as Conservatives, Liberals or Progressives.

To a large extent this situation may be taken as a tribute to the premier, but in the main it shows recognition of the fact that there is no essential connection between provincial and Dominion government affairs. The movement which put the present government in power five years ago was to a large extent connected with the general urge for political expression which swept over the farmers of the country about that time. But still more important was the fact that the legislature had practically reached a deadlock under former conditions and that financial affairs of the province at that time were in a bad way. Something evidently had to be done about it, and the organized farmers movement happened to be ready just at that time to take the lead.

Brought in From Outside

The farmer representatives who were returned at the last provincial election had no political leader in Manitoba, and immediately after the election, when they evidently had the responsibility of forming a government there was no one among themselves who appeared able to tackle the job. A good many names of possible leaders were canvassed, when the idea finally occurred to some one to suggest the name of John Bracken, then head of the Agricultural College, who only a couple of years earlier had come from a similar institution in Saskatchewan. Mr. Bracken was probably more surprised than any one else when his name was mentioned, and still more surprised when it was made clear to him that he could be Premier of the Province if he chose.

Mr. Bracken's chief lieutenants were R. W. Craig, who became attorney-general, and who had been elected in Winnipeg, and F. M. Black, who was drafted from the position of treasurer of United Grain Growers, and for whom a seat had to be found.

Affairs Are Much Improved

Thanks to an administration of affairs which appears to have been thoroughly economical and conscientious, thanks to improving conditions in the province, thanks to the profits from the liquor business into which the government was forced against its will by a referendum, and thanks to new taxation, the affairs of the province have been wonderfully improved. When the government took office, its supporters frequently claim, the province was going behind at the rate of about five thousand dollars a day. The Bracken Government funded the existing deficits, made provision by sinking fund for paying off this and other debts, were able to announce a considerable surplus for their last year, and to undertake reductions of taxation. They brought to an end the extravagant spending on public buildings, which had been one of the chief offences of previous governments; straightened out the affairs of the Farm loans Board; salvaged something out of the wreck of the rural credits scheme for short-term loans granted through local societies; wrote down the capitalization of the Manitoba Power Commission; and saved money by amalgamating the university and agricultural college.

Good Times Helped Them

In short, they took stock of the position of the province, and took the business-like steps to meet the situation. It may be that no other course was open to them, and that their economy was dictated by necessity. But freedom from previous political entanglements made their course easier, and their lack of responsibility for the province's earlier errors made it easier to impose new taxes. And if they are not responsible for the good crops and high prices experienced by Manitoba farmers in recent years, these things have made their life easier.

Their reward is at hand in a very general inclination throughout the province to support the Bracken Government on its administrative record.

Conservatives Offer Liquor Programme

PREMIER JOHN BRACKEN, of Manitoba, head of a politically unattached farmer government, which is expected again to be elected.

The Conservative party will contest the election under Major Taylor, of Portage la Prairie, and have in their favor little but the traditional inclination of Manitoba to vote Conservative. On the liquor question they have a definite programme somewhat similar to that of Premier Ferguson in Ontario. That might be useful politically except for the fact that a referendum on various questions concerning the sale of beer is to be taken at the time of the election. Since Manitoba already has government liquor stores, and the only questions to be settled are details of administration and just how beer is to be supplied, it will be difficult for the Conservatives to do any effective fighting on this ground. They also have platform planks in favor of abolishing the income and supplementary revenue taxes, but these planks are not likely to be taken very seriously, even by the campaigners themselves, until it can be shown that there is some chance either of saving the money or of finding it somewhere else.

Liberals Have New Leader

The Liberals have a new leader to succeed the Hon. T. C. Norris, in the person of Judge Robson. But the Liberals, with one eye on the Dominion situation, are not, as a party, very anxious for a conflict with the government forces. Party interests call for sympathetic co-operation, rather than fighting, for the present time.

Judge Robson will naturally run in Winnipeg, which is a multiple member constituency, voting on the preferential ballot system. It can return Liberal, Labor, Conservative and Government supporters without any very serious contest developing between these different forces.

Loses Black and Craig

Against Premier Bracken is the fact that the two strongest men of his cabinet will not be in the fight. F. M. Black, to whom a good deal of the credit for improvement in province's finances is undoubtedly due, resigned the provincial treasurership over two years ago, and R. W. Craig, attorney-general, has announced that he is retiring and will not be a candidate for re-election. But these facts rather create problems for the premier to deal with in the future than imperil his chances at the forthcoming election.

After all, in Manitoba, it boils down to this, that there are no political issues to divide opinion. Sound administration is all that is required of the provincial government, and under present conditions the best bid a government can make for re-election is to give sound administration.

GIGANTIC MERGER PLANNED BY LEADING NEWSPRINT COMPANIES

Continued from page 1)

ing down many of the U. S. mills, which, in turn, could not help but bring about an almost immediate scarcity of newsprint with its consequent marked appreciation in newsprint prices. In other words, it is understood that many of the larger publishers in the United States are well satisfied with the present arrangement, which, while in no way a monopoly, yet will most assuredly tend to stabilize newsprint prices. The mills which will sell through the new selling agency will have a rated capacity of 4,485 tons by the end of the year. It can be seen that the new selling company will be anything but a monopoly when it is remembered that the present output of the Canadian mills amount to over 6,850 tons a day, and this figure by the end of the year will be largely augmented. Moreover, the output of the U. S. mills amounts to 5,000 tons daily. In other words, by the end of the present year the new selling company will control about one-third of the total output of Canada and the United States.

Satisfies the Shareholders

Such a combination of sales efforts is satisfactory, too, as far as the holders of securities are concerned. It means that by the end of the year the sales of about five-sevenths or five-eighths of the Canadian newsprint output will be confined to two strong groups, namely, the new selling organization and the International Paper Company; the latter is the largest single newsprint producer in the world and produces well over 1,000 tons of newsprint daily. The publishers in the U. S.. will be able to obtain the grades of newsprint to which their presses have been adjusted and to which their staffs have been accustomed. If a publisher has been purchasing in the past, say Port Alfred newsprint, his supply will not be changed and he will continue to deal with the same sales personnel as in the past.

Situation Has Changed

One of the reasons why the production from the U. S. newsprint plants has kept on increasing, despite the growth of the industry in Canada, has been the fact that there has always prevailed a ready spot market for newsprint in which some of the smaller U. S. newsprint mills could sell their output—sometimes above the prevailing contract price.

But to-day the situation has changed; the spot market for newsprint has practically disappeared because of the present surplus capacities of the newsprint mills on this continent. This in part explains why since the beginning of 1927 the production of the United States has declined as compared with an increase in the Canadian production. The smaller U. S. mills have not been able to sell much newsprint on the spot market, and, in consequence, have more and more turned over their machines to other grades of paper.

Will Benefit Industry

With the output of the Canadian newsprint mills concentrated into what almost amounts to two strong hands, it seems obvious for the future that such a consolidation of sales efforts cannot help but give keener competition to the U. S. mills, many of which have already reduced their newsprint production. In other words, the present consolidation will tend to improve still further the situation of the Canadian mills, as compared to those in the United States.

The mills in the province of Quebec not included in the merger of sales forces are St. Lawrence, Wayagamack, E. B. Eddy, Donnacona, and Brompton.

Many Mills Not Included

There are several mills in Ontario not included, such as J. R. Booth, Limited, the projects of the Backus-Brooks interests, and the Ontario Paper Company.

Moreover, in the provinces of Quebec and Ontario there are new mills under way which are also not included in the new selling company. In Quebec there is the Anglo-Canadian Mills, and the Lake St. John Power and Paper Company, and in Ontario there are projects such as that of the New York Times, at Kapuskasing.

While at first sight it might be thought that the merger of the sales efforts of all these companies might constitute something of a gigantic trust which could move newsprint prices up or down at will, on second thought it will be seen that all such a sales merger can accomplish is to tend to stabilize newsprint prices, and at the same time reduce overhead for the companies which will sell through the new selling company.

Will Stabilize Earnings

During 1926 the demand for newsprint was such that all the mills were operating at full capacity throughout the whole year. This year the situation has changed materially, and the capacity of the newsprint mills on this continent is in excess of the demand for their products. When the sales efforts of all these mills are combined into one organization, the present hesitancy in the demand for newsprint will be spread over a large number of mills, which naturally cannot help but stabilize earning power. There will probably be no possibility that some of the mills in this group will be running at above their rated capacities whilst others might be operating only four days a week.

It is understood that the new selling company will take the form of a limited company in which all the mills will own common stock to an amount proportional to their daily output.

Prelude to Mergers?

With the closer association of the companies in which Sir Herbert Holt is interested, with the Spanish-Abitibi interests in Ontario, many feel that this is perhaps only a prelude to an ultimate newsprint concerto which will end in a loud crescendo of mergers between the various interests involved.

Not that there is any real possibility of a merger between such companies as the St. Maurice Valley Corporation and Abitibi, but there undoubtedly is the possibility of a much closer association between all of these companies. This might take the form of interlocking directorates, or by some of the companies owning securities of many of the others. Indeed, with Spanish and Abitibi this has already taken place. These companies own shares in both the Manitoba Paper Company and the St. Anne Paper Company.

Not With Spanish-Abitibi

In the meantime, there seems to be little possibility of the long-talked of Spanish-Abitibi merger. It is thought that there are few savings to be effected in the cost of overhead by such a merger, and, moreover, Spanish-River's capital structure is complicated, and it is thought that before a merger could take place, Spanish River's capitalization would have to be simplified.

As yet, of course, there is nothing definite to indicate any such closer association between these companies, but many observers feel that it cannot help but eventually be the outcome of the present co-operative effort which all these mills are endeavoring to establish. Providing the minor and final details of the sales merger are satisfactorily arranged, some official announcement may be made before the end of the current month.

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CAN. WEST GAS TO ADD TO PREFERRED

Directors Propose to Redeem Bonds and Expand Facilities

Shareholders of the Canadian Western Natural Gas, Light, Heat & Power Co., are being called to a special general meeting April 25th, to consider the advisability of issuing $2,000,000 additional 6 per cent. cumulative preferred stock. Of the proceeds, $1,300,000 will be used to redeem outstanding bonds and the balance will be used for expanding the facilities of the company.

On May 6th, the shareholders will vote on proposed amendments to the conditions of the issuance of preferred stock. It is suggested that the preferred be limited to half the amount of the valuation placed on the property by the public utilities commission of Alberta for rate-making purposes and that a sinking fund be established for ultimate redemption of the preferred at 105 and accrued dividend.

Dominion Textile Will Ultimately Raise Dividend

From Our Own Correspondent.

MONTREAL.—It is said that the earnings of the Dominion Textile Company for the fiscal year, which concluded on March 31 last, will show an increase as compared with the preceding year, despite the fact that the past year has proved not so satisfactory as 1925 for some of the textile mills. It is rumored, also, that the annual report will make nice reading for the shareholders.

In the meantime the shares have been gradually strengthening, due to the thought that eventually the company will declare larger dividends. In some quarters the announcement of increased disbursements to the shareholders is looked for fairly shortly, but the record of the management is certainly not one of precipitancy in such matters. The consensus of opinion seems to be that it may be some time before any such action is taken by the company.

While the general textile situation during the past twelvemonth cannot be said to have been better than in the previous year, yet the Dominion Textile Company has a tremendously wide range of production. It is thought that thus the company has been in a somewhat better earning position than some of its sister organizations which confine their operations to relatively few lines, in which any decline in the demand results in lowered earnings. Dominion Textile has been able to concentrate its best efforts on those lines from which it can make satisfactory earnings.

Like a few others, Dominion Textile is a stock with a long and almost uniformly successful record behind it. It is but natural that investors are willing to bid the shares up in order to hold for a long pull. There are many indications that ultimately there will still be further price appreciations—a record which the shares have well maintained in the past, despite the varying ups and downs in the general market which, while naturally affecting the stock, yet did not hinder its ultimate progress.

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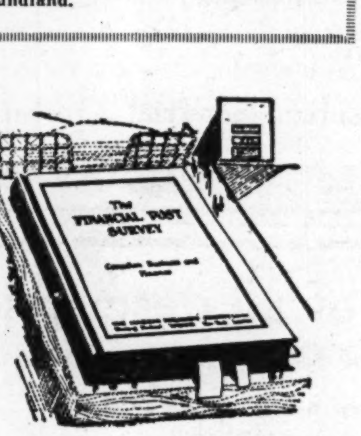

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NEXT MOVE OF NATIONAL TRUST STILL IN THE AIR

Continued from page 1)

weeks ago it received permission of the court to buy one share of preferred stock of Dominion Steel Corp., the parent company of the company in receivership. Then National Trust Co. asked for an order to wind up Dominion Steel and British Empire Steel, and suggested that Royal Trust Co. be named liquidator in each instance. Justice Chisholm has decided that the court would not be warranted in interfering in the case of Besco. As the position relating to Besco's subsidiary, Dominion Steel, differed in some particulars with the petition relating to Besco itself, it is possible that a somewhat different decision will be announced by the court.

Next Move Uncertain

Just what will be the next move on the part of National Trust Co. as receiver and manager of Dominion Iron has not been disclosed, if it has been decided. In view of the economic necessity of keeping the coal and steel properties in Nova Scotia under one management, it evidently was the belief of the receivers that all the assets should be grouped in any plan of reorganization. National Trust Co.'s move has been a move to group the assets under a liquidator. But the court has decided otherwise so far as Besco and Nova Scotia Steel & Coal Co. are concerned.

National Trust has wanted to throw everything into one pot, melt it down, skim the dross and mold the rest into a profitable enterprise. According to well-informed authority, this plan was deemed feasible regardless of the government's attitude toward bounties on steel produced in the Maritimes.

The attitude of the present management of Besco and Dominion Steel is somewhat different. The management apparently is content to have Dominion Iron, now under the management of National Trust, as receiver, go by the board. The only condition under which the corporation management would readmit Dominion Iron to the corporate group would be if, and when, the government came through with a substantial bounty on steel produced. On the other hand, if Dominion Iron were liquidated and some new owners endeavored to operate it, the operators would have to buy their coal from Dominion Coal Co., a solvent subsidiary of Dominion Steel. The management of Dominion Steel and Besco is believed to acquiesce in the view that the coal and iron properties should remain together for the economic salvation of the Maritime provinces, but is evidently unwilling to help the receiver solve the problem of Dominion Iron.

See Maritime Help

This attitude on the part of the Besco and Dominion Steel management is understood as a desire to safeguard the immediate interests of shareholders in Dominion Steel and Dominion Coal. It is fairly obvious that assumption of the liabilities of the insolvent Dominion Steel would react to the immediate disadvantage of the shareholders of Dominion Steel and Dominion Coal. There is some question, however, as to whether or not the National Trust Co.'s attitude would not, in the end, have resulted as well from the viewpoint of the shareholders, while it is contended in several observant quarters that reorganization following liquidation would be a more promising step for the steel and coal industry as the principal industry of Nova Scotia—the industry on which a great proportion of the population is dependent for its livelihood.

It is noteworthy that one group of the preferred shareholders of Dominion Steel has, through counsel, supported the application of National Trust for the winding-up of Dominion Steel, although it would seem that a liquidation which would throw the unsecured bonds of Dominion Iron into the group of prior liabilities of Dominion Steel would not improve the position of the preference shareholders of the parent company.

Sell New Stock?

In the opinion of some bystanders who have watched closely the legal contest between Besco management and Dominion Iron receivers, the court's decision is unfortunate from the viewpoint of national interest, although there is no disposition to question the probity of the court in deciding that it is not justified in interfering. It is contended by those who do not agree with the management that there will have to be a substantial scaling down of capital. This also may be the view of the management, but it is questioned if a reorganization can be effected from within which is accompanied by the wiping out of substantial blocks of shares and the conversion of some of the junior bonds into shares. If a new public issue of securities is deemed necessary it is questioned if the present management would be able to market it.

This, of course, is the viewpoint of individuals who are not in sympathy with the present management of Besco, although it should be noted that the viewpoint has not been expressed by anyone connected with the petition which has been dismissed by the court or the petition which is yet to be dealt with by the court. The individual shareholder's view probably is that liquidation is something to be avoided at all costs and that possibly by hanging on, a subsidy from the government may result in a betterment in the position under the present management.

Need Basis of Value

The actual earning power of the property is yet to be determined. An appraisal of the physical assets of the corporation and its subsidiaries which was made by independent interests a year or two ago, so far as has been observed, has not been made public. While this appraisal may not be accurate at the present time it might, if available, be effective as a basis of estimating that earning power on which a reasonable capitalization could be established.

It is believed in some quarters that, no matter who may be the agent—whether liquidator responsible to a court, the present management or some other group—there must be, ultimately, a drastic scaling down of capital before the Nova Scotia steel and coal industry can be placed on firm foundations which will inure to the benefit of the province and the nation and give the securities a factor of safety which they have lacked for a number of years.

Hurts Canada Abroad

One of the unfortunate features of the affair, from the public and investment viewpoint, is that in the inevitable reduction of capital, there will be sufferers in England and the United States as well as in Canada. Following so soon after the wiping out of Grand Trunk Pacific securities, it is probable that Canadian investment will be looked on with even greater disfavor than formerly in England. There are also many Canadian investors in the steel corporation and its subsidiaries, but it is probable that they see the loss coming and understand the causes.

POST-Scripts

OFFICE efficiency experts state that it costs 19 cents to write a letter. Some place the figure higher.

The other day a Toronto investor sent a cheque to a Montreal trust company covering payment on new shares allotted to him by a mining company in which he was interested. He received a letter of acknowledgment with a request for 15 cents exchange to cover cost of collecting the cheque which was not payable at par in Montreal. He neglected to send the 15 cents. Now he has received a second letter asking that the 15 cents be sent. Two letters at 19 cents totals 38 cents. Amount due (which he is going to send) is 15 cents. Net loss to the trust company is 23 cents. Now he wonders how many more letters at 19 cents apiece would be written to him if he did not send the 15 cents.

ONE OF the Canadian bond houses is mourning the loss of an order for a $1,000 bond and at the same time is chuckling over the circumstances surrounding the incident.

This house offered bonds for sale, secured by a mortgage on real estate. It received an inquiry from a French-Canadian in Alberta and sent to the inquirer the usual literature together with an order blank. The blank came back, duly filled out for $1,000 of bonds. In the usual manner, the bonds were sent to the local bank with a draft attached. Back came draft and bonds and there followed in the mail the following pathetic letter from the man who had inquired:

"Just a few word to tell you that I received your lovely letter of those bond? I was glad when I saw all these paper comeing from you. I went straight to my Bank and I hand my paper to the Bankque and I was very disapointed when he answered me that I could't have any money. I thought I could rented some money from you and he answered me that you want to rent some from me. That doen't give me any chance. I thought I could't have some from you. I understand on the letter that I could have some and the bank tell my that you want to rent some from me so there must be something that we did-nt understood. I hope to here from you soon."

Blindness No Handicap in Business or Masonry

This group of blind soldiers and civilians of Toronto, most of them successful in insurance and other business lines, are the first organized group of blind men to attempt the first degree in the Masons. Left to right, top row—G. Robertson; A. Graham; F. McLeod; T. E. McCracken; A. G. Viets; J. C. McCuaig. Seated, left to right: A. MacDonald; R. W. Dickey; W. L. Williamson; E. A. Baker.

IF NEW INTERESTS ENTER PICTURE WILL BE AT BEHEST OF BESCO

Continued from page 1)

after their interests in the forthcoming reorganization. On May 5 next these committees will meet at the head office of the corporation to confer and to initiate and formulate a reorganization plan.

At the meeting, it is anticipated that in addition to the representatives of the first preference, second preference and common shareholders of the British Empire Steel Corporation, there will be representatives of the preference shares of the Dominion Steel Corporation and the committee representing the consolidated mortgage bonds of the Dominion Iron and Steel Company which are guaranteed by the Dominion Steel Corporation. Possibly others will attend representing other securities issued by the component companies of Besco.

Thus it seems apparent that the burden of reorganizing the British Empire Steel Corporation will rest solely on the shareholders of the corporation—the reorganization will not be forced, or brought about by order of the courts. If ultimately other financial interests play some part in the Besco picture it will only be at the invitation of the present shareholders and not because the courts ordered an immediate winding up of Besco. Had the courts granted the application of the National Trust, it might have resulted in the shareholders being forced to allow new interests to enter into the tangle.

The Shareholders' Thoughts

Many of the minority shareholders of Besco are decidedly out of sympathy with the management — yet even the minority shareholders upheld the stand taken by the management opposing the application leading to the winding up order.

Undoubtedly most of the Besco shareholders felt that they would fare better in the forthcoming reorganization provided no action was forced upon the corporation. In other words, many of the shareholders felt that the reorganization in itself was a desirable thing, but if a revamping of the whole organization was brought about by court order, new interests would come into the picture. It was felt that under those conditions, the new interests would naturally play a part in the reconstruction on their own terms, and not on the terms which the shareholders still feel they can submit to other interests.

In his decision, Justice Chisholm said that, in the application of the National Trust Co., it must be borne in mind that the petitioner is a minority shareholder and that the majority of the shareholders resisted the application of the trust company, and that it was suggested that the court could not disregard the wishes of the majority unless it could see in their conduct something unreasonable, something like tyranny and something amounting to an injury of which the minority have a right to complain.

Why Not Shareholders?

Continuing, the judgment says:

"It seems also to be common ground that a reorganization of the corporation is desirable, but why should the task of reorganization be taken out of the hands of the shareholders? The memorandum of association gives them power to effect a reorganization. It is pointed out that the majority propose to reorganize on the lines set out in the Hoyt plan, and that such a reorganization will work grave injustice to a large number of the shareholders. But until at least the majority of the shareholders adopt this scheme of reorganization, which is unjust and inequitable and unfairly arbitrary in its legal effect, I see no reason for the court to interfere."

The decision concludes with these remarks: "In the situation, so far as it has developed, I am unable to see any sufficient reason for calling for the interference of the court in the affairs of the company, on the grounds that justice and equity require it. The application will be dismissed."

From Our Own Correspondent.

SYDNEY.—With half a million tons of coal in bank and 25,000 more coming to the surface every 24 hours, with every producing mine overhauled and its machinery repaired to the best condition in years; with officials keen and miners heartened by long months of steady employment; and with 15 huge steamers manned and ready to carry the output to market, the Nova Scotia coal fields stand ready for the busiest summer in their history and expect to far surpass all previous production records.

The eastern coal industry is literally "rarin' to go" and the signal will be the disappearance from the coast of the heavy drift ice which packs the gulf as far as the eye can reach. A favorable wind can drive the barrier to sea in 24 hours, but in any event opening of river navigation will probably not be delayed beyond the end of April.

Abandon One Mine

No. 1 mine at Dominion (opened in 1893), the first put down after the original Dominion Coal merger, is worked out and will be abandoned this week. Its miners go to the nearby No. 1-B and will raise the production of that famous pit by 750 tons a day. No. 6, a small pit, also will not be worked this summer.

All the other mines (14 in Cape Breton, 8 on the mainland) are working, and many of them, in addition to machinery repairs, have had their underground tramways re-railed with heavier metal.

The independent mines, about 10 in number, are also ready for a busy year.

The Sydney & Louisburg Railway has bought two new locomotives from the Montreal Locomotive Works, and has received 43 of an order of 100 new steel gondolas to handle the anticipated traffic on this road, always very busy in the summer time.

Assemble Big Fleet

For the St. Lawrence trade, an immense fleet has been assembled. Boats owned by the company total 67,896 tons, boats chartered for the season total 63,200 tons, a grand total of 131,096 tons.

In addition, the company has already arranged "trip charter" tonnage to the extent of 68,700 before the end of June, and such extra tonnage will be picked up whenever available throughout the season.

The Dominion Coal Company made over $2,000,000 clear profit in 1926; it is freely predicted here that the profits will go over $3,000,000 this season.

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Under the terms of the Trust Deed securing the Bonds, there will be pledged with the Trustee under the first specific lien of the Deed marketable securities having a current market value in excess of $5,400,000, or 154% of the principal amount of Bonds of Series A presently to be issued. The Bonds will further be secured by a floating charge on all other assets of the Corporation now owned or hereafter acquired; and before certification of this issue of Bonds the floating charge will cover marketable securities of a current market value in excess of $1,200,000.

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(2) That there will not be released from the specific charge of the Trust Deed, nor will the Corporation dispose of nor exchange, shares or securities, to an extent that would reduce the annual interest and/or dividends on securities owned by it (exclusive of securities held in the Sinking Fund Reserve) below 125% of the annual interest on Bonds at any time outstanding in the hands of the public.

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TORONTO, APRIL 22, 1927

CANADA'S CORNER

THE FINANCIAL POST is not in the business of promoting office rentals but it feels that the erection of the new Sun Life Assurance Company office buildings in London, England, affords to Canadian provinces and institutions an opportunity finally to bring their offices together. On several occasions, The Post has pointed out that Canada loses much in London because of the fact that the offices of the various provinces are scattered all over the city, some of them in obscure corners and only one or two of them within comfortable distance of Canada House, the new Dominion government building. The last article published by The Post on this subject was carried by Reuter to England and appeared in a large number of British papers which played up strongly the statements that "The activities of the various provinces in Great Britain would lead one to believe that they were separate dominions with no connection between them. We should greatly facilitate our efforts in all directions by the various provinces getting together and putting the major emphasis on Canada."

Now the Sun Life is building a fine new edifice on Trafalgar Square adjacent to Canada House. The entire building will not be occupied by Sun Life offices. Inquiry confirms this. If the different provinces were to rent space in this building it would bring them all together in a building owned and operated by a great Canadian national institution (for the Sun Life is assuredly that now) and located in what is now Canada's corner in London.

In this Jubilee year, Canada and its provinces could not do better than bring their British activities closer together and while there is no machinery for bringing about united action by the provinces in this regard, individual action by each province would achieve the same result.

A BRIGHT SPOT

THE new penalties provided for non-payment of sales taxes work out to about twelve per cent. per annum on over-due amounts owing the government. This is a high rate of interest and few firms are likely in the future, to conserve their liquid resources by holding up sales tax payments to the government. It was the lack of such a penalizing clause in the sales tax legislation that was largely responsible for thousands of firms getting in arrears to the amount of millions of dollars.

It is doubtful if the government will be able to collect the present accumulation of sales tax arrears without much litigation and considerable losses. The situation was allowed, under successive administrations, to become too entangled for an easy clean up. But now that legislation has been provided by Mr. Euler, Minister of National Revenue, and the policy has been adopted of requiring sales tax accounts to be cleaned up monthly, there should be no new bad accounts created on the government's books.

The new policy is a bright spot on the business horizon.

INDUSTRIAL PROSPERITY

CANADA has not enjoyed the same degree of industrial prosperity as has blessed the United States since the war. Yet the elements of our industrial prosperity are similar to those that are at the base of the remarkable advance in business in the United States in recent years. Reference is made to this connection between American and Canadian business in the Mackenzie report, just published by the British government.

Some months ago the British government appointed a commission of business men, headed by Sir William Mackenzie, K.C., to tour the United States and Canada to attempt to discover two things; first, the secret of industrial prosperity on this continent and secondly to study relations between employers and workers. The commission has presented its report and it has been published by the British government. It is an interesting analysis of much that is well known to business men on this side of the water, but which is in this report so well crystallized as to be of as much value to us in Canada as to the British manufacturer. The London Times speaks of it as a notable document, a well chosen phrase.

The report reflects the high degree of prosperity, which has prevailed in the United States, except for a short set-back in 1924, and attempts to analyze the causes. The large consuming power of the United States market, strongly protected from outside, but with no restrictions on domestic trade is set down as a factor in American Prosperity.

Instalment selling, which has stimulated buying; reduction in manufacturing costs by standardization and simplification of design; the exchange of ideas between manufacturers and the recognition of management as distinct from ownership are emphasized as factors of importance.

On the subject of relations between employers and labor, reference is made to the willingness of labor to accept experiments that will reduce costs; to the use of incentives to stimulate output; to the payment of high wages for large production; to promotion by merit; to the attention that is being paid to industrial relations problems; and to the willingness of organized labor to adapt itself to new conditions.

In a section on Canada the report states that if allowance is made for the slower industrial development of the Dominion most of what has been said about the United States applies equally to Canada. It is made clear, however, that this similarity does not mean that Canada has no characteristics of her own. Canada has had to struggle for international trade and the development of her industries against a rival much better situated than herself. She is primarily an agricultural country, it is stated, but year by year is attaining importance industrially.

British observers are coming more and more to feel that the road out of Great Britain's industrial tangle lies more definitely along industrial advances copied from this continent. The Mackenzie report, while it draws no comparisons and makes no suggestions, will undoubtedly strengthen that feeling in Britain.

BUOYANT FINANCES

CANADA'S fiscal year has closed. It was a twelve months of expanding revenues, amply justifying the minister of finance in his tax reduction program and suggesting the possibility of still further tax cuts to come.

Total taxes collected in Canada in the twelve months to March 31 were $336,000,000, an increase of $18,000,000 over the previous year, despite reductions made a year ago in income and other taxes. The largest share of the increase was contributed by the customs department. Customs duties increased from $126,000,000 to $140,000,000, the expansion being $14,500,000, of which perhaps two-thirds was attributable to the stricter methods of collection in force. Excise duties also increased from $42,500,000 to $48,000,000 no doubt much of the increase being traceable to the same cause.

Sales and stamp taxes produced $6.500,000 more, the revenue being $97,000,000; income tax brought in $8,000,000 less, 1927 revenue amounting to $27,000,000.

Expenditures declined slightly from $330,000,000 to $324,000,000.

All in all, the year was an excellent one for the Dominion treasury.

The effect of the higher revenues and lower expenditures was to decrease the debt burden of the country during the year by $61,000,000. Of this, about $33,000,000 represented a decrease in the funded debt of the country, an important reduction, reflecting considerable credit upon the finance department. This cut was augmented by an increase in sinking fund of over $3,000,000. Thus the actual net bonded indebtedness of Canada declined during the year by $36,000,000 without any increase in temporary loans or for the use of other expedients.

This reduction in debts, together with the refunding of maturing issues at lower rates of interest, is having the effect of reducing the interest burden of the taxpayer.

Interest charges paid in the previous year totalled $125,300,000. In the year just closed, they totalled $122,000,000.

The reductions in debt and in interest charges appear small when considered beside the existing totals. But they are substantial reductions when the general lack of prosperity during the past five years in Canada is considered. It is to be expected—and in fact will be demanded by business men—that more substantial reductions will be made from year to year in the future. The next ten years may conceivably see the annual interest burden of the government reduced by $50,000,000. If only a small part of this saving were set aside to build up a sinking fund, the debt of the country could be brought within very moderate proportions inside of a few years. It is not generally thought that sweeping reductions in the Dominion debt are essential. Most observers are willing that the payment of the war costs should be spread over a considerable term of years in order not to bear too heavily upon the generation that has already contributed most heavily to such of the war expense as has been paid out of current revenue.

INJURES CANADA

ONE of the chief criticisms made of the deal by which Senator Webster and his associates sought to turn over the Montreal Water and Power Company to the city of Montreal at an excessive profit was the fact that it would react unfavorably upon Senator Webster himself and upon big business in general. It was emphasized that when big business seeks to make an excessive profit it is not fulfilling its trust to the public nor to other corporations that must continue to win and hold public good will.

That the effect that was feared has followed this unfortunate transaction is apparent from comment in the British papers. A letter written to the London Times by a British company indicates the way British investors view the transaction. It says in part:

> Here is another example of the treatment of English stockholders by our Canadian friends:
>
> Toward the end of last year English stockholders in the Montreal Water and Power Company were circularized from Canada, bidding them $86 for their shares. At the same time the firm who were circularizing stated that they were accepting this bid, and we know that the majority of holders in this country accepted it.
>
> During the middle of February a holder here who had not accepted the bid was visited by a representative, specially sent over from Canada, who eventually got the stock out of the holder at $100.
>
> We received cable advice on February 18 that the Montreal Water and Power Company was taken over by the City of Montreal a few days previously, that city paying almost $170 per share, and that the bid on February 17 on the Canadian Stock Exchange was $120 Canada.
>
> "It will thus be seen that the gentlemen who traveled to this country cleared about £14,000 if they only bought 1,000 shares.
>
> "It is hardly necessary to add the reason Canadian financial interests find it so difficult to assure English investors of their good intentions towards them. It is always understood that directors are paid servants of stockholders. How often are stockholders told of what negotiations are pending?"

Senator Webster's duty to the public, to corporations generally and to investors, was to consider himself as a public servant in this deal and not to exact too large a profit. When he was derelict in that duty he injured Canada's good name.

110 YEARS OF PEACE

ON APRIL 28, 1818, James Monroe, then President of the United States, issued a proclamation setting forth the stipulations for effective limitations of naval armament on the Great Lakes, in accordance with the agreement entered into by Richard Rush, acting Secretary of State for and in behalf of the Government of the United States and the Right Honorable Charles Bagot, Envoy Extraordinary and Minister Plenipotentiary for and in behalf of His Britannic Majesty. The agreement is known as the Rush-Bagot Treaty.

During the week of April 24-30, Kiwanis clubs will give recognition to the 110th anniversary of this treaty, to the century and more of peace and understanding between the two countries and to the significance of the twelve years of friendship and fellowship between Kiwanians of both commonwealths.

Kiwanis clubs serve a useful purpose when they commemorate peaceful relations in this manner. It is too much the habit of nations to celebrate their wars rather than their eras of peace.

A SUPER-DREAM

W. F. MACLEAN, ex-M.P., former publisher of the now defunct Toronto World, is still bobbing up with solutions of the transportation problem of Canada. Perhaps no man in Canada has a better right to offer solutions. Canada's transportation problem was caused by over-building of railways and no man contributed more cheers and encouragement to the railway builders in the days when they were laying down mile after mile of duplicate track than the same W. F. Maclean.

Mr. Maclean's newest idea is to merge into one company the Canadian National, the Canadian Pacific, and Temiskaming and Northern Ontario Railway, and to include with them aeroplanes, motor trucks, wireless services, and every known means of transportation and, we presume, communication. Perhaps even the Georgian Bay Canal, promoted by Mr. Maclean's esteemed son-in-law, would be included.

This gigantic "Canadian National Carriers" could then scrap unnecessary equipment and services and all would be rosy in Canada.

Mr. Maclean retired from the publishing business because he was more of a dreamer than a business man and his super-transportation system is too much a dream ever to be a business.

EDITORIAL NOTES

ALTHOUGH Vancouver is a young city it is planning to spend a lot of money on bridge work.

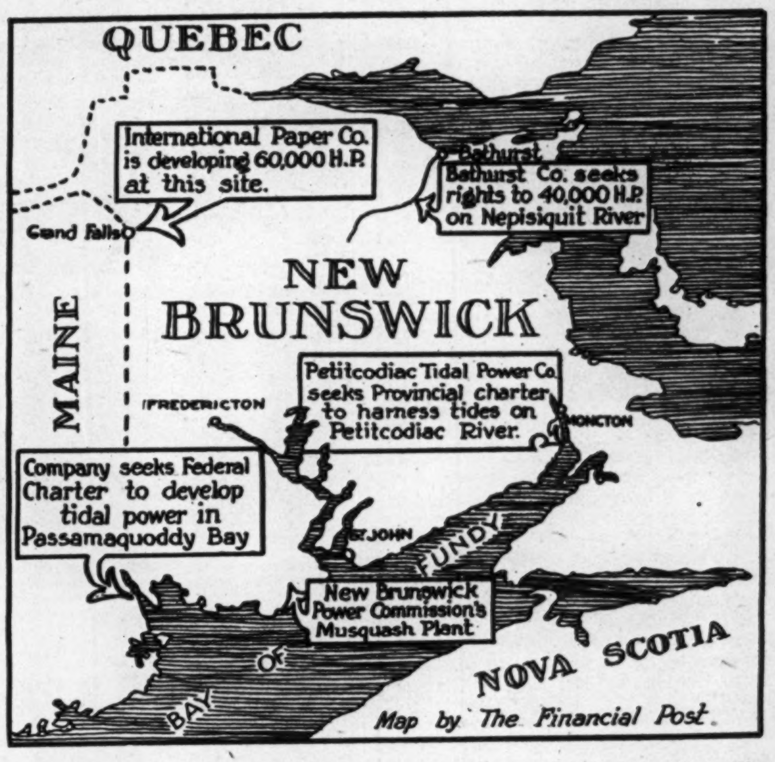
* * *

NOW that the customs inquiry commission is in Windsor the personnel may as well rent furnished apartments by the month if they are going to uncover all the scandals Windsor has to offer.

* * *

QUEENSLAND is trying to dispose of some of its state trading institutions after piling up colossal losses that are now quite irrecoverable. "Service at cost" and getting rid of the bloated capitalist cost Queensland $10,000,000 in operating losses in nine years.

New Brunswick Plans Power Plants


QUEBEC
International Paper Co. is developing 60,000 H.P. at this site.
Bathurst
Bathurst Co. seeks rights to 40,000 H.P. on Nepisiquit River
Grand Falls
NEW BRUNSWICK
MAINE
FREDERICTON
Petitcodiac Tidal Power Co. seeks Provincial charter to harness tides on Petitcodiac River.
MONCTON
Company seeks Federal Charter to develop tidal power in Passamaquoddy Bay
ST. JOHN
FUNDY
New Brunswick Power Commission's Musquash Plant
BAY OF
NOVA SCOTIA
Map by The Financial Post

Map shows where some of the important power propositions planned for New Brunswick are to be located.

New Brunswick Has Many Power Schemes Under Consideration

Private Ownership is Winning Out in Plans to Harness Rivers and Tides of Maritime Provinces Where Energy is Badly Needed

From Our Own Correspondent.

FREDERICTON.—One main issue to-day between the two political parties in New Brunswick is the policy which should be adopted with respect to the power resources at Grand Falls. The Liberal party, under the leadership of ex-Premier Walter Foster, embarked upon a policy of public ownership in the development of the Musquash river and ex-Premier Peter Veniot extended this policy to the development of Grand Falls. Following the example of Ontario a commission known as the New Brunswick Electric Power Commission, was appointed to take charge of such undertakings. Mr. Veniot held that these power sites were natural resources of the province and should be developed in a manner to permit different sections and users throughout the province to share in the benefits derived from them. Grand Falls was the most important water power in the province and since the province was undertaking the cost of developing smaller and less valuable sites it should also develop this site. Moreover, ex-Premier Veniot planned to have the different power sites developed and operated as one province-wide system and thus to secure greater stability in current flow, more economical use of the combined power current, cheapness in price, and a wider distribution among different sections, industries and consumers in the province. The transmission lines were to be built by the commission out of the profits made from the sale of the energy and the costs were to be equalized upon consumers by a common price. There was to be a small tax upon gross sales as a share to the province for its contribution in production and the energy was to be sold at cost to the consumer—cost including of course interest on capital invested, depreciation and replacement, the tax imposed and ordinary expenditures of operation. It was claimed that under this system the power resources of the province would be fully utilized and the energy would be supplied at the lowest price to all consumers on a basis of equality. Ex-Premier Veniot began the development at Grand Falls and the work was under actual construction when he was defeated at the polls.

Turned to Private Control

When the present administration came into power Premier J. B. M. Baxter at once stopped the construction work and later cancelled the contracts and arranged with the International Falls as a private undertaking.

The main reason given for this change of policy was that the cost of the development was too large a financial responsibility for the province to assume in view of its limited revenues and heavy debt. The new administration found the province faced with a large deficit on ordinary account and had to impose additional taxation to meet necessary current expenditures. The Valley Railway, built as a public enterprise, increased the debt by over $6,000,000 and has an annual deficit of over $250,000, which the new administration saw could not longer be charged to capital account but must be paid out of ordinary revenues. Public ownership involved financial responsibility for expenditures of perhaps $8,000,000 to $10,000,000 and the interest charges had to be met during construction and later, whether the power was utilized or not. Moreover, it was claimed there was no certainty of the sale of all the power: the International Paper Company had an option on the power but the province had no actual sale. Under the new arrangement the province secured the development of the power and escaped the responsibility of finance. The province was released from paying to the International Paper Company the sum of $1,200,000 which the Ex-Premier had agreed to pay for its rights in Grand Falls; the province had returned to it the sum of $346,000 that it had already expended in the enterprise and was released from its obligations to give certain blocks of power to the State of Maine and the Province of Quebec for their interests on account of flowage or storage rights.

Invested None of Province's Money

By the new agreement it is stated the province not only secured the development of the water power without the investment of a cent of its own capital but also obtained from the International Paper Company and from Fraser Company a contract to build new paper mills to make use of the power in production of paper from our forest products that will employ province labor, use province material and involve a total expenditure of perhaps over $12,000,000. It is held that by securing such an investment of capital from these corporations their interests become identified with the development of the province in a way the scheme of public development would not have obtained.

On the other hand, the new policy of private development has come under criticism. It is held that the province has actually given away a valuable natural resource without receiving from it a single cent of royalty or rent; that one large enterprise or at the most two industries will receive all the benefits from the development to the injustice of other industries and users; that one section of the province will receive practically all the benefit; that excessive privileges of expropriation and exemption from taxation have been granted the developing company and that the powers of the New Brunswick Electric Power Commission have been limited and its usefulness injured by the agreement.

Benefits That Province Gains

What does the province gain under this agreement? It does not gain any profit from the development of the water power but it escapes the financial responsibility and possibility of loss. The province gains in that it is assured of the development of power and of its utilization in new paper mills in the province. It gains both power and paper industries and it gets clear of risk and uncertainty. Probably the scheme of the former administration would have secured the same development in power and in industry but it was more speculative and the industrial development did not seem quite so certain.

The fact that development of Grand Falls is proceeding by a private company does limit to this extent the function of the New Brunswick Electric Power Commission. The Commission can not afford to build transmission lines to carry its small allocation of power any distance. The commission may develop Meductic rapids and other watersites in the province. We seem to be committed to hydro-electric development under both private and public ownership. There is no insuperable objection to the co-operation of private and public power systems in a superpower system when such becomes necessary for the welfare of the province. A bill has just been introduced into the provincial legislature asking for rights of incorporation in the development of electric power from the tides in the Petitcodiac River. Federal incorporation is underway for the development of the power resources in Passamaquoddy Bay. Should power be developed from these two sources the southern part of the province would be well supplied with electric energy. It will take time to utilize these power possibilities and the immediate need is cheap power for industrial production.

Exemption from Taxation

It is claimed that the present legislation grant is too generous exemption from taxation to the enterprise. Property pertaining to the transmission of power is exempt from municipal and "other taxation." The company and its property in New Brunswick pertaining to the production of power is exempt from municipal taxation for forty years except that a flat school tax of $5,000 a year is exacted. "Other taxation" does not probably exempt from provincial taxation. Competition for industries is keen and these exemptions although generous may have been necessary. But in case of even public utility enterprises exemption from taxation is not fair to other industries. The state has a share in production and certainly in a production that makes such use of natural resources. However, as the industry becomes important there is opportunity for taxation without taxing the property specified or the developing company. The taxes now paid by the older firms of the lumber industry must be shifted in the near future to the large industries engaged in the manufacture of lumber products.

Objection has been made to the existing agreement because it is claimed the developing company—The St. John River Power Company (which is a subsidiary of the International Paper Company)—is protected from expropriation. The act requires the province in expropriation to purchase the entire plant used in the storage development and transmission of the power. In other words, the plant employed in the production and transmission of the power is viewed as a going concern or business entity and in expropriation the province must buy the total outfit used in the power enterprise. But this does not include other property of the corporation and should not be beyond the capacity of the province for it involves little more than did the undertaking to develop the power site under the New Brunswick Power Commission.

May Charge Storage Fee

Under the legislation The St. John River Power Company is permitted to charge a storage fee to any company or person developing power on the river below the falls. Such a charge cannot be made unless a company actually uses the storage facilities of the St. John River Company and then only to the extent that it profits by such use. In case the developing party is the province itself through the New Brunswick Power Commission the compensation is to be "what the Lieutenant-Governor-in-Council shall deem equitable." Does this mean that the province need not pay at all or that the executive council is constituted a court of arbitration upon the value of the storage received? The language would seem to imply the latter but in view of the generous terms given the developing company—rights of expropriation of private lands and of transmission of its lines over private lands; exemption from taxation and from regulation by the Board of Public Utilities, and certainly a most valuable franchise that will later give value to its no par value stock—it is not probable that it will desire to exact a storage fee from the province or that the executive council would deem any such charge to be "equitable."

Report on Meductic Power

It is reliably stated that the report of the consulting engineer upon the cost of the development of power from the rapids of the river at Meductic is now in the hands of the New Brunswick Power Commission and may be placed before the legislature with the recommendation of the commission within a few days. It is also stated that the cost of develop-

(Continued on page 11)

Massey-Harris

We have prepared a special analysis of this company which may be had upon request.

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Business Established 1889

Your Investments

Investment questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published in this column. We cannot extend this service to non-subscribers. A two-cent stamp or stamped envelope must always be enclosed to cover the direct reply.

Brooks Steam Motors

Would you kindly advise me what the Brooks security stock is worth per unit in Toronto or how it sells in the East?

We presume your letter refers to stock in Brooks Steam Motors, Limited, which is being offered by Brooks Securities Co.

We do not consider this stock to be worth very much. A Toronto dealer in unlisted securities offers to buy one preferred and one common share of this company for three dollars. This, as you will see, is very much below the offering price made by Brooks Securities Co.

Cosgrave Brewery

Will you please advise me your opinion of Cosgrave Brewery stock as an investment. Do you think there will be any immediate rise?

We do not attempt to forecast immediate action in the stock market of the shares of any company. Cosgrave's Brewery is one of the breweries which has succeeded in operating throughout prohibition. It is paying dividends at the moment and it is fair to assume that profits will be larger when the hampering restrictions of prohibition law are lifted. At the same time, it is well to bear in mind that the brewing industry shows signs of becoming over-crowded.

Sterling Acceptance

I am thinking of investing in the Sterling Acceptance Corp., which was organized for the purpose of automobile financing. I will appreciate very much to receive your advice on this matter as to what progress former companies have made on this line, and if you think that this will be a good investment.

The companies which have been very profitable in the financing of time purchases of automobiles have been companies which have a definite connection with automobile manufacturers and dealers. Companies which have not such connections, or which are not subsidiaries of automobile manufacturers, are not all in such a fortunate position.

It is suggested that as a general rule investment in some of the sound industrial and public utility companies would bring a higher profit than investments in an acceptance corporation which may or may not be able to benefit from the propensity of the public to buy automobiles on the instalment plan.

An acceptance corporation at the best is a questionable investment for a woman, and all new enterprises are speculative.

Monarch Mortgage

A customer of mine has asked me for information with reference to 195 shares of the Monarch Mortgage and Investment Company, Limited, 8 per cent. cumulative preferred stock.

I have no knowledge of this company, and would very much appreciate any information you can give me with reference to it. My client has no business dabbling in anything that is in the slightest degree speculative, and this, on the face of it, looks that way to me.

I would greatly appreciate a line in reply to this, and trust that you will not mention my name in any way if the inquiry appears in your paper, of which I am, and have been for a number of years, a subscriber.

We are informed that the gross profits for the year amounted to $29,748 and that the net profit was $22,426. The paid up preference shares amount to $217,000, so that earnings are more than sufficient to pay the preferred dividend. This is a well-run company, we believe; speculative, no doubt, but a good company in its class.

"Good Work"

Editor, The Financial Post:

I wish to thank you for your letters of recent date, in which you gave me your opinion on shares and bonds held by my father and also suggestions for future monies.

The work you are doing is worth a great deal to the average investor who is outside the business circles.

Winnipeg Investor.

Quebec Apartments

Do you consider the 6½ per cent. bonds of the Quebec Apartments to be a safe investment?

The Quebec Apartments are 85 per cent. leased and are earning well over the bond interest requirements. Strong interests own the equity in this property so we believe that the 6½ per cent. bonds are a satisfactory investment in their class.

Massey-Harris Common

Do you think Massey-Harris common (new) will sell higher?

We have no means of telling how high the new Massey-Harris common shares will go in the stock market. All we know is that the company is doing very well and over a term of years the investment should be satisfactory. We advise holding these common shares in units of four because that is the voting unit.

German Municipal Bonds

I see in your valuable paper that the German government is now redeeming its bonds for bonds of a new issue. Does this include coupon bonds of the city of Berlin issued in 1922?

As we understand it, only the government bonds of Germany are being redeemed in the new liquidation loan debt issue.

We understand that shortly the municipal bond issues of the various German municipalities will also be revalued and new bonds issued in their stead. As yet, no date for the redemption of the outstanding municipal bonds has been set.

Dom. Ind. Alcohol

I purchased Dominion Industrial Alcohol from Mr. Wilkinson of Continental Bond Corp., Toronto. Mr. Wilkinson told me that the company would pay 32 per cent. this year, and that the stock would be listed in April. The price was $10 the share.

We have very little faith in Dominion Industrial Alcohol and doubt very much if any new company can expect to earn 32 per cent. on its stock the first year.

Continental Bond Corporation is conducted by Col. J. A. Currie, who also is president of the Alcohol.

In addition to the fact that the stock is a very doubtful speculation, some buyers of it apparently are unaware of the pooling arrangement whereby they are unable to sell until such time as the directors lift the pool limitation.

Can. Farm Implement

Could you give me any information on the Canadian Farm Implement Company, of Medicine Hat, Alberta, of which J. E. Davies is the president and A. A. Martin, secretary? They issued $25,000 8 per cent. preference and $975,000 common.

We have a letter from the Canadian Farm Implement Co. of Medicine Hat, Alta., which states that the company is in process of reorganization and that no stock is being offered the public at this time. We suggest that you would be well advised not to acquire any of the stock offered by persons not connected with the company, in view of the fact that there is no definite means of determining the actual worth, if any.

Steel, Cement, Textile

From reading The Financial Post, I take it that you regard Steel of Canada, Canada Cement, and Dominion Textile, as being leaders in their respective fields. Do you consider purchase of any of them advisable, considering their present apparently high prices?

All three of the companies you mention are doing very well and investments in them over a period of years should be satisfactory. Steel of Canada especially should benefit from any changes in the tariff which may be made with a view to helping out the other two large steel companies. Steel of Canada has demonstrated its ability to make money despite disadvantages of competition from foreign countries.

Steel of Can. Pfd.

Will you please advise through your inquiry column whether or not Steel of Canada preferred ranks equally in every respect with the common offer? The common receives 7 per cent. with regard to any bonus, increase of discount, increase of capitalization by way of new stock, or otherwise at any other manner.

If so, is not the preferred worth more relatively than current quotations indicate?

The preferred stock of the Steel Co. of Canada is a participating preferred, that is, it receives dividends equal to the dividends paid on the common in excess of 7 per cent. Thus holders of the preferred naturally would participate in any distribution by way of stock dividends. In view of this we believe that you are correct in stating that the current price of the preferred is somewhat low in comparison to the current price of the common.

Canadian Celanese

I noticed on the front page of your last issue a short article on the Canandian Celanese, Limited. Would you be kind enough to let me know the present price of the stock and your opinion of the shares as an investment?

The present price of Canadian Celanese preferred is about $86, and the common $40.

The preferred shares are a business man's investment, and the common are a business man's speculation. The new plant of Canadian Celanese will not get into full and complete operation until toward the close of the current year. Thus, the company is now in a period of construction, and hence its preferred shares are selling on a high yield basis.

Celanese is a high grade rayon, or artificial silk; it is fully protected by patents. In both Great Britain and the United States the companies which manufacture celanese have met with satisfactory results. The fact that the associated companies in England and the United States have been successful lends an added attraction to the shares.

We believe that once the plant gets into full operation it will satisfactorily earn its preferred dividend requirements, but you must remember that, as the company has no past record of performance, the preferred can not be classed with the shares of companies which have demonstrated their earning power over a period of years.

When Women Invest

Nearly as Many Women as Men Own Shares in One of Canada's Largest Chartered Banks — Is Large Investment Wise in View of Double Liability?

A REGULAR FEATURE

The shareholders' list of one of the country's largest chartered banks contains about 45 names to the page. On one of these pages, selected at random, appeared the names of 22 women. This shows that women are in large numbers shareholders in chartered banks.

Women as a rule are not original purchasers of the bank shares they own. In most instances, the securities are inherited. The question is whether they should continue to own these stocks, especially as in most instances, they can be disposed of at a very neat profit over the original investment.

The disadvantage in holding stock in one or other of the chartered banks of Canada is that the shareholders, in the event of failure of the bank, are liable to be called upon to contribute an amount equal to their original par investment to meet the demands of depositors, in addition to losing their invested capital. In the recent Home Bank failure, all shareholders, some of whom were also depositors, had to contribute to help make up the losses of other depositors. They not only lost a part of their deposits and their invested capital but lost the additional sum they had to pay over.

All Banks Sound To-day

It is believed that to-day each of the eleven chartered banks of Canada is sound. There is also reason to believe that each is capably and honestly managed. It is hoped that each is sound enough to withstand any conceivable business depression or other period of tight money. But even while believing all this it is highly desirable to bear the double-liability clause in mind. If, by any mischance, something should happen to the bank the shareholder not only loses his original investment, but an additional amount.

Perhaps every investor who diversifies so that he, or she, is in position to benefit from the success of a number of institutions in varied lines of financial, commercial and industrial life, reasonably might carry a few shares in any of the chartered banks of Canada. But no investor, except perhaps the active executives of the institutions, should own a large amount of the stock. The amount of the bank investment might readily be determined by answering the question: How much could the investor lose without disastrous effects on his income? The amount given in the answer should represent the total of his bank-stock ownership and the total of the so-called double liability.

Profits Outweigh Clause

Some women will ask: why buy bank stocks at all if there is such an undesirable feature connected with them? This is why; the record of the banks, on the whole, and of all the larger and well managed institutions, has been one of steady advance with large and continuously growing profits for the shareholders. These profits represent but an infinitesimal fraction of the total transactions of the bank, but this fraction becomes a substantial figure on the small proportion of total liabilities represented by shareholders' capital. Hence the profit possibilities are such as to outweigh in the minds of most investors, the remote danger of being called upon to pay up under the double liability clause.

FOLKS and Finance

A. J. NESBITT, president of the Power Corporation, and J. B. Woodyatt, president of the Southern Canada Power Company and vice-president of the Power Corporation of Canada, have returned from France, where they were inspecting and looking into the possibilities of hydro-electric power development in that country.

Both Mr. Nesbitt and Mr. Woodyatt saw conditions throughout the whole country and visited all sections from Normandy and Brittany south to the Pyrenees and along the French Riviera to the Italian frontier.

The total water power resources of France amount to some 10,000,000 horsepower, of which 3,000,000 horsepower has been developed. Mr. Woodyatt said that while in this country an electric power producer which doubles its output every six years is supposed to be making rapid strides, in France the rate of development is more rapid, and many companies there have doubled their installed capacity in the last two years.

There seems to be every possibility that either the Nesbitt Thomson interests or Power Corporation of Canada may be interested in some power projects in France.

NEW BRUNSWICK HAS MANY POWER SCHEMES UNDER CONSIDERATION

(Continued from page 10)

ment is considerably lower than was expected and that one factor in lowering cost is the regulation of flowage that will result from the development of the International Paper Company at Grand Falls. Meductic rapids are expected to supply energy to an amount of 30,000 horse power and it is not improbable that development will be carried out under the New Brunswick Electric Power Commission.

Two bills have been before the legislature that have considerable importance for the industrial development of the province. Both are concerned with cheap power. The first would grant to the Bathurst Company power to dam the Nepisiquit River to increase the electric power to be used in their newsprint plant. It is estimated that horse power of at least 40,000 may be obtained from the improved developments and this would enable a papermill to operate with a capacity of 400 tons daily. The bill gives the company power to extend their storage of water and to purchase lands therefor and, in case it is necessary, to expropriate land.

Angus McLean, president of the Bathurst Lumber Company, offers about 20,000 h.p. of the energy to be developed on the Nepisiquit for use in Miramichi, where the lumber trade is suffering from lack of power. The sale price will not exceed one half cent per k.w.h. at the company's power station. This would seem to provide energy for Miramichi's lumber interests at an earlier date and at a better price than would otherwise be available from any other source.

Another act of considerable interest has been before the legislative committee. It is an act to incorporate the Petitcodiac Tidal Power Company. The following persons appear as asking for incorporation; Mathew Lodge, director of the C.N.R.; Hon. C. W. Robinson; Senator Captain J. E. Masters; F. W. Sumner; J. Fred Edgett; A. E. McSweeney; merchant: A. C. Chapman; manufacturer: A. J. Tingley, Supt. of Investigation of C.N.R., of Moncton; A. P. Paterson, of St. John, merchant; and Chester F. Ericson, banker and H. M. Blair, banker, both of the City of New York.

These gentlemen ask for a charter that will authorize them to develop electric energy at the confluence of the Petitcodiac and Memramcook rivers and in general to regulate the flow of the streams, to provide for the storage of water and to construct, maintain power stations, and to operate them and transmit and distribute electric energy thus developed to its purchasers. The bill asks for a franchise with the usual powers of purchase of lands necessary for their work, for rights of expropriation, for exemption from taxation and other privileges. The bill was referred back to the petitioners for redrafting. It is proposed to give them authority to make further investigations and expenditures in order that they may have more adequate and detailed plans to present to the legislature for further powers another year. It is evidently the purpose of the persons asking incorporation to carry on the actual development and this is exactly what the legislature desires. The legislature is quite willing to give power and encouragement to those actually attempting to develop the industrial resources but does not purpose to grant any more charities to be used for merely speculative purposes.

Not a New Scheme

The scheme for making use of the remarkably high tides on the Petitcodiac for the generation of electric power is a practical and feasible one and the credit of showing this to the satisfaction of competent persons is due to W. R. Turnbill, who has submitted plans and devised turbines for the purpose. Mr. Turnbill made a report on this enterprise to the New Brunswick Electric Power Commission in 1924. His proposal is to develop the power at the confluence of the Petitcodiac and the Memramcook rivers. He would make the Petitcodiac the high level basin in which the water will always be high and be refilled at every high tide while the Memramcook River would be the low level basin to be practically filled from the high level basin and always be emptied during the latter part of the ebb tide. In order to control the waters of the rivers he says that it is necessary to construct three dams, the western dam over the Petitcodiac river, 4,900 feet in length, and the eastern dam over the Memramcook, 4,800 feet and a wing dam 900 feet in length to connect these two. The tide in this river is very regular and has a range of over 42 feet in spring tide and of 32 feet in neap tide. Mr. Turnbill contends that by the proposed water power developments the Petitcodiac river will be made more navigable and Hillsboro and the city of Moncton will be provided with fairly good harbors and therefore possess a water traffic that they do not have at present.

Would Provide Cheap Power

According to his report to the New Brunswick Power Commission the total costs for an initial power development of 90,000 h.p. would be $13,104,920 or $145.60 per h.p. The total cost of the full development of 200,000 h.p. would be $19,581,920 or $97.90 per h.p. Taking the saleable k.w.h. as one-half of the total k.w. hours for the year, the selling price is estimated at .931 cents k.w.h. for the initial development and .626 cents per k.w.h. for the full development of 200,000 h.p. This price will give an 8 per cent. on invested capital and in addition provide for all running or operating expenses and adequate depreciation charges.

One problem at the present time would be to find a market for the sale of so much energy. It has been intimated that the Canadian National Railways might consider the electrification of their system in this area provided power might be secured at a price to justify such action. Cheap power should prove most helpful to the industries at Hillsboro Novelop and to the southern part of the province as far as to Nova Scotia.

Massey-Harris

The business of this company, which has been in profitable operation for 80 years, is one of the outstanding successes in Canadian industry.

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MONTREAL POWER RAISES DIVIDEND?

Felt That 1927 May See Larger Payments to Shareholders

From Our Own Correspondent.

MONTREAL.—The possibility of a dividend increase on the shares of the Montreal Light Heat and Power Consolidated has been the subject of much consideration by the shareholders. Rumors have started indicating that before the close of the year the present dividend rate of $2 annually will be increased to $2.50.

There seems little reason to doubt that Montreal "Power" during 1927 may increase its dividend payments, and at the same time continue its practice of transferring large sums to reserves of one kind or another and to surplus account.

During 1926 the company earned $3.46 on each share of its no par stock outstanding. But the split up in the shares occurred only last fall and the full year's interest charges on the company's recently-issued $30,000,000, five per cent., collateral trust bonds did not appear in the income account. Thus, it is difficult to make an accurate forecast regarding what the earnings will be on the common stock during 1927. After payment of all charges, including liberal allowances of one kind or another, the company last year was able to transfer $1,869,482 to capital and surplus account.

Payments in the Past

In 1925 earnings on the old common stock amounted to 10.3 per cent., and from this the company paid out in dividends 8 per cent. That is, it paid out four-fifths of the earnings applicable to its common stock.

In the current year, interest charges on the new bond issue will amount to $1,500,000, but it is anticipated that, despite the increase in the fixed charges, earnings on the common stock should be close to the 1926 level of $3.46 on the common. If this figure be reached, on the basis of the amount formerly paid out to the shareholders from the earnings, it would be a reasonable supposition that the management will give some consideration to increasing the dividend before the close of the year.

Dominion Bridge May Pay Out $8 on Shares

From Our Own Correspondent.

MONTREAL.—The strength in the shares of the Dominion Bridge Company has in part been explained by the declaration of a bonus of $2 per share for the half year ending April 30. The declaration is, of course, in addition to the regular quarterly dividend of one per cent., or $1 per share.

The disbursement came as something of a surprise, for a $2 bonus was paid out as recently as January 3 last. Further disbursements were not anticipated until later in the year, despite the excellent business which the company is doing.

In view of the strong balance sheet and financial position of the company, it is thought that another bonus equal to the present one can be anticipated in six months' time, at the close of the fiscal year. If paid, this would be the equivalent of $8 per share for the current year.

Dominion bridge has paid dividends without interruption, though at varying rates, since it was incorporated in 1912. Supplementing the regular dividends, bonuses were paid in 1915, and the two subsequent years. The highest distribution in any one year was in 1916, when the regular dividend and a bonus of 12 per cent. made a total of 20 per cent. for the year.

Car Loadings Affected by Smaller Pulpwood Shipments

A slowing down of pulpwood shipments, adversely affected revenue freight on Canadian railways during the week ended April 9th, when loadings totalled 60,010, as compared with 62,290 cars in the previous week. In the same week a year ago loadings were 53,772, but comparison is not justified in view of the fact that Easter holidays affected loadings last year.

Sound Security

THE first form of security was probably that of a first mortgage on real estate. The best real estate is that which is improved and centrally located on main thoroughfares in large cities.

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We have on hand several blocks of First Mortgage Bonds as above described and which yield from 6½ to 7%.

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News of Investment Markets

FINANCING OF PROVINCIAL PAPER DEAL UNDER WAY

Bond Issue of $5,300,000 Being Offered Public This Week

First of the new financing necessary in connection with the recent purchase of the Provincial Paper Mills, Ltd., by Canadian interests, took place this week in the form of an offering of $5,300,000, 20-year 5½ per cent. first mortgage bonds of the Provincial Paper, Ltd., by Dominion Securities Corp. Part of this issue was offered in New York by Dillon, Read and Co.

Organization of the old company took place in 1909, since when it has gradually expanded and now has plants located at Port Arthur, Mille Roches, Thorold and Georgetown, all in the province of Ontario. Company operates 8 paper machines, 6 paper coating machines, and sulphite and groundwood pulp mills, having a daily capacity of paper production of more than 190 tons. It owns timber limits advantageously located in close proximity to the company's pulp and paper mill at Port Arthur, exceeding 2,500 square miles in extent.

Unlike other paper companies operating in Canada, whose business is largely devoted to the manufacture of newsprint for export purposes, Provincial Paper, Ltd., takes over a company that has been almost exclusively engaged in manufacturing high grade book, bond, coated and writing papers. It is the largest distributor in Canada of these products.

Extensive Sales Organization

Company has also the added advantage of marketing its products through its own sales organization, which is favorably and well-known to the Canadian trade. In 1926, the John Martin Paper Co., now known as Provincial Paper Sales, Ltd., the largest distributor of all grades of paper in the Prairie Provinces, was acquired, which has greatly aided the company in providing increased distribution in these provinces. These facilities, combined with the location of the plants at Mille Roches to supply Montreal and Eastern trade, at Thorold and Georgetown to supply Toronto and the Ontario market and at Port Arthur to supply the needs of Western Canada, place the company in a favored position for making an economical distribution of its products.

During 1926, as a result of the purchase from the Ontario Government of the rights to cut pulpwood in several additional large areas in the vicinity of Port Arthur, there was installed a second paper machine at the Port Arthur plant and other extensions were made, which will permit of an increase during the present year in output of both pulp and paper.

Particulars of the issue follow:

$5,300,000
Provincial Paper, Ltd.
(Ontario Company)
20-year First Mortgage 5½% Sinking Fund Bonds
Series A

Dated May 1, 1927 Due May 1, 1947

Business—Manufacturers of high grade book, bond, coated and writing papers.

Assets—Total value of net tangible assets is placed at $10,254,764. Only a nominal value placed on woods areas of the company.

Purpose of Issue—To finance purchase of Provincial Paper Mills, Ltd., extension of plant at Port Arthur, and additional working capital.

Security—First charge on real and immovable property and a floating charge on all other assets, present and future.

Sinking Fund—$125,000 annually, commencing May 1, 1929, to purchase bonds in open market up to the call price, failing which bonds will be drawn by lot and called for redemption. It is estimated that sinking fund will be sufficient to retire more than 75 per cent. of this issue by maturity.

Earnings—During fiscal year ended Dec. 31, 1926, $1,222,080, or about 4 times interest requirements on present issue.

Capital—(Upon completion of present financing):

	Authorized	Presently to be issued
First Mtge. Bonds (this issue)	$10,000,000	$5,300,000
7% Cumulative Preferred Stock	3,500,000	3,500,000
Common Stock (Shares of no par value) ...	100,000 sh.	100,000 sh.

Management—Mr. I. H. Weldon and Mr. S. F. Duncan, who established business in 1909, will continue actively in the management. There will be no change in established policy.

Offered—By Dominion Securities Corp., at a price of 95¼, to yield over 5.90 per cent.

McColl Bros. Plan to Retire Preferred

It was announced at the annual meeting of McColl Bros., on April 20, that before the next annual meeting the directors probably would take some action with a view to retiring the preferred stock of the company.

It was also asserted that the new refinery is now operating satisfactorily. The company now owns 21 filling station properties and twelve bulk stations in Ontario. Officers and directors were re-elected.

MITCHELL STOCK SELLS

MONTREAL.—The shares of J. F. Mitchell and Company are now being traded in on the Montreal Curb Market. They are traded in on the unlisted section of that exchange. The common stock has been changing hands at around 30.

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Hayes Wheels Mortgage Bonds Quickly Taken Up

Following up the recent offering of preferred stock, which was quickly oversubscribed, McLeod, Young, Weir & Co. are offering this week $600,000, six per cent. first mortgage, 15-year sinking fund bonds, series A, of the Hayes Wheels and Forgings, Ltd. It is understood that public reception of this issue was just as responsive as in the case of the junior security and that the issue has all been taken up.

This is said to complete financing necessary for acquiring and redeeming outstanding stocks and bonds of constituent companies. Part of the proceeds will also be used for improving the capital structure of the company and for effecting amalgamation of the several businesses in order to secure the advantages that go with centralized buying and management and for other corporate purposes.

Details of the issue follow:

$600,000
Hayes Wheels and Forgings, Ltd.,
First Mortgage 15-year 6 per cent. Gold Bonds
Series "A"

Dated April 1, 1927 Due April 1, 1942

Business—Automobile wheels (both metal and wood) and other motor vehicle parts.

Assets—Net tangible as at January 1st, 1927, were $2,536,834, equivalent to $4,228 for each $1,000 bond to be presently outstanding. Working capital ratio at present over 3.27 to 1.

Sales—Have increased from $987,120 in 1917 to $3,824,703 in 1926, or over 287 per cent.

Sinking Fund—Sufficient to mature whole issue on or before maturity.

Protective Provisions — Strong protective features are made for the holders of these bonds.

Redemption—60 Days' notice, on any interest date at a premium of 5 per cent., and accrued interest if redeemed before April 1st, 1928, and thereafter at a premium reduced by one-quarter of one per cent. plus accrued interst, for each calendar year commenced or elapsed until the premium has been reduced to 2 per cent.

Management—There will be no change.

Purpose of Issue—Redeeming outstanding stocks and bonds of constituent companies, for improving capital structure and for effecting amalgamation of several businesses.

Capital—

	To be Authorized	To be Outstanding
1st mortgage sinking fund gold bonds	$1,500,000	
Series A, 6% bonds, due Apr. 1, 1942....		$600,000
7% cum. sinking fund pref. stock ($100 par)	1,500,00	650,000
Com. stock (with no par value)	100,000 shs.	50,000 shs.

Offered—by McLeod, Young, Weir and Co., at a price of 100 and interest.

Department Store Merger Appoints Executive Body

The last legal and financial details of the merger of Ontario and Montreal department stores, under the name of Canadian Department Stores, have been completed, it is announced. Deeds to all the properties have been transferred and registered and all payments of cash or securities to the merging stores have been made.

An executive committee of five of the directors of the company has been formed. It consists of : G. H. Rennie, president and managing director; A. Robinson, of St. Catharines; Charles Austin, of Chatham; Charles M. Reid, of Belleville; R. A. Beamish, of North Bay.

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Ninety-nine per cent. rented is the record now achieved by Metropolitan Building, one of Toronto's newest skyscrapers which expects shortly to achieve complete rental of all of its office space. Earnings at the present rentals total about $260,000 annually, it is understood. As expenses (now $85,000 yearly) will total about $105,000 annually at the expiration of the period when the assessment department of Toronto considers it is an uncompleted building there will be about $160,000 annually for bond interest, sinking fund, etc. Bond interest is thus being earned more than twice over, annual requirements being slightly over $70,000.

It is rather worthy of note that gross revenues of the building and net earnings of the building are now approximately at the figure estimated when the bond issue was originally sold, although two large new office buildings have come on the rental market since the Metropolitan Building was completed and have necessitated some scaling of rentals throughout downtown Toronto. As present leases expire, a gradually rising total of rentals is anticipated.

The bonds, which were offered in 1924 at par to yield 7 per cent., are now quoted around 103.

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Diversification of investments has been greatly stressed in recent years and while this principle is admittedly sound, the small investor cannot usually follow this precept. As a result there has developed, more particularly in the United Kingdom, a number of investment trusts, which offer to the public their securities backed by assets of stock holdings in many companies engaged in different lines of industry and also well distributed geographically so that income of the trust is maintained on an even level despite any setbacks which might be experienced in one country or in any one industry. On this account, investment in trust securities have proved both popular and profitable.

Offering of an issue of $3,500,000 Hydro-Electric Bond and Share Corp. 5 per cent. bonds by Wood, Gundy and Co., this week, opens up a new field for investment by Canadians which combines the features of a holding company and investment trust.

The fundamental principle of the business will be the investment and reinvestment by the corporation of its resources in marketable shares and obligations of carefully selected issues. Its assets will consist of securities and cash and its revenues will be derived from the interest and dividends on its holdings together with such profits as may accrue upon disposal from time to time of the securities it may own. The powers of the corporation are designed to permit as great a degree of elasticity of operation as is consistent with conservative financial practice.

Wide Distribution of Holdings

Upon completion of present financing, the corporation will own revenue bearing securities of a total current market value in excess of $6,600,000. In addition to companies operating in Canada and United States, such as Montreal Power, Shawinigan, Associated Gas and Electric, etc., the corporation's holdings will include securities of Brazilian Traction, Barcelona Traction, International Power and American & Foreign Securities, which operate public utilities in other countries.

Hydro-Electric appears to have some of the features of the earlier American investment trusts which specialized in limited classes of securities rather than seeking to obtain diversification by groups. The success of the English companies has been based on diversification of holdings, a limited amount of capital placed in any one company and geographical distribution. In the case of the new company, diversification will be had chiefly through utility companies — power, traction, light, and gas, while the companies themselves operate in Canada, the United States and South America, thus giving sufficient geographical distribution. It is provided in the corporation's charter that not less than 65 per cent. of the company's resources will be invested in Canada and the United States and not more than 35 per cent. in shares and securities other than those issued by government and public utility corporations. Thus the new corporation is a combination of utility holding company and investment trust.

Strong Board of Directors

The holdings of the company will be under the guidance of a group of experienced directors. Sir Herbert Holt is president; John S. Norris, vice-president; S. Godin, Jr., managing director; G. H. Montgomery, Andrew P. Holt and J. H. Gundy, directors.

Particulars of the issue follow:

$3,500,000
Hydro-Electric Bond and Share Corp.
30-Year 5 per cent. First Collateral Trust Bonds. Series A.

Dated May 1, 1927 Due May 1, 1957

Business—Investment and reinvestment of resources to provide diversification of holdings in order to assure a steady income.

Security—Upon completion of present marketable securities in excess of $5,400,000 will be deposited with Trustee under the first specific lien of the Deed. The bonds will be further secured by a floating charge on other marketable securities having a current market value in excess of $1,200,000.

Sinking Fund—Commencing May 1, 1928, either an amount equal in cash to 1 per cent. of principal amount of Series A bonds, or equivalent market value of bonds or debentures.

Safeguards—Corporation will covenant that market value of all assets, cash and securities pledged with Trustee under the first specific lien (exclusive of sinking fund) shall at all times equal 125 per cent. of the bonds then issued and outstanding.

Corporation will not dispose or exchange shares or securities, to an extent that would reduce the annual interest and for dividends on securities owned by it below 125 per cent. of the annual interest on bonds at any time outstanding.

That it will not invest less than 65 per cent. of its resources in Canada and the U.S.

That not more than 35 per cent. of its resources will be invested in shares or securities other than those issued by governments and public utility corporations.

Replacement of Investments—Shares and securities held by Trustee can only be realized to the corporation provided that cash and market value of shares and securities under the first specific lien is not thereby reduced to less than 150 per cent. of the principal amount of Series A bonds outstanding.

(Upon completion of present financing)

Capital—

	Authorized	Outstanding
1st Collateral Trust Bonds (this issue)	$20,000,000	$3,500,000x
Income Debentures, due 1967	12,000,000	2,000,000
Common shares (no par value)	60,000 shares	200,000 shares

xof Series A.

Additional Bonds—None can be issued unless collateral subject to the first specific lien shall equal at least 150 per cent. of the principal amount of Series A bonds outstanding; net earnings for preceding year shall have been equal to not less than 150 per cent. of the annual interest charges on Series A bonds outstanding.

Offered—By Wood, Gundy and Co., at 95 and interest, yielding over 5.33 per cent.

Dr. F. T. Wahlen, chief of the seed branch of the department of agriculture at Ottawa, remarks that the Maritimes should grow more of the seed used on their farms.

MUNICIPAL TAXABLE ASSESSMENT IS UP

Large Increase in Past Few Years; Some Provinces Effecting Cuts

Municipal assessment valuations have shown a steady increase in each of the various classifications during the seven years between 1919 and 1925, reported to the Bureau of Statistics. In the year 1919 the total taxable value of real property in Canada was $6,028,012,649, and in 1925 it amounted to $7,331,785,535, being an increase of $1,303,772,886 in the period of seven years. In comparing 1925 with 1924, however, some of the provinces have made substantial cuts in assessments, as will be seen from the following table:

Taxable Real Property

	1924	1925
P. E. I.	$30,447,873	$ 30,570,834
Nova Scotia	141,530,888	141,025,289
New Brunswick .	125,355,164	100,637,512
Quebec	1,751,212,910	1,810,575,661
Ontario	2,387,379,211	2,427,971,744
Manitoba	605,396,598	576,380,525
Sask.	1,065,588,958	1,055,521,188
Alberta	769,313,656	620,373,850
Br. Columbia ...	566,253,706	568,728,932
Total	$7,442,478,964	$7,331,785,535

Alberta Cuts Assessment

Alberta took the lead in this regard, assessment on land being cut from $697,000,000 to $608,000,000, while valuation of buildings was also reduced from $71,941,000 to $12,238,000. New Brunswick reduced its assessment valuation by 25 per cent. during 1925; Manitoba effected a reduction of $34,000,000; New Brunswick about $25,000,000; and Saskatchewan and Nova Scotia also had slight reductions. Quebec and Ontario both increased valuation on taxable real property, the latter being accounted for largely by the increase in value of buildings. Reductions were larger than the increases, so that the total for all provinces decreased by about $10,500,000.

Among the other classifications, personal property valuation shows a decrease from $66,847,942 in 1924 to $56,452,434 in 1925. Income tax assessment shows an increase from $156,281,535 to $164,952,407 in 1925, while other taxable valuations amounted to $246,642,224, as compared with $266,465,891 in 1924.

Total Shows Little Change

Except for Ontario and Quebec, the provinces show little change in the total taxable valuations, the tendency being downward rather than upward. In 1924 assessment valuations of municipalities amounted to $7,944,089,882, as compared with $7,942,858,546 in the following year. Systems of assessment are so diverse as between provinces that comparability is somewhat difficult. In the province of Prince Edward Island there is no system of rural municipalities so that land valuations are estimated by provincial authorities. In New Brunswick annual returns by municipalities are incomplete. Ontario, Saskatchewan, Alberta and British Columbia are the only provinces separating land and building valuations, while personal property assessment is not recorded in Quebec, Ontario, Saskatchewan or British Columbia. Income valuations is not shown in Alberta, British Columbia, Manitoba or Quebec.

BUFFALO QUOTATIONS

Bonds	Bid	Asked
Bfo-Ft. Erie Bdge 7s '55......	107½	108½
Do., 8s '45	106½	108
Buff Gen Elec 1st 5s '39.........	104	...
Do., pref 5s '39	104	...
Bfo N & E Pow 5s '30.........	100	100¾
Lockport L H & P 5½ '54......	103	...
N. F. 1st & can 6s 1950........	104½	106
STOCKS		
Niagara Falls Pw pf.	28	28¾
Niag Lock & Ont pf...........	113½	115

Tenders and By-laws

April 25, Village of Macamic, P.Q.—$46,000, 5½ per cent. serial debentures. Donat Dumont, secretary-treasurer.

May 3, Town of Preston.—$60,811, 5 and 5½ per cent., 10 year debentures. Geo. Winster, town clerk. (See announcement on page 16).

Debenture Notes

East York.—Borrowing of $642,631 on debentures for construction of sewers in the Todmorden, Danforth Park and Greenwood areas in East York has been authorized by the Township Council. The Council also approved the expenditure of $119,962 for sidewalks and pavements and $128,121 for general purposes.

This Week's Bond Sales

Fort Frances Issue

Wood, Gundy & Co. were the successful tenderers for an issue of $80,000 Town of Fort Frances, 5½ per cent. serial High School debentures on a bid of 102.04. The bids were:

Wood, Gundy & Co.	102.04
H. J. Birkett & Co.	101.606
Dominion Bank	101.57
Harris, MacKeen & Co.	101.52
C. H. Burgess & Co.	101.51
Royal Securities	101.477
W. L. McKinnon & Co.	101.1075
McLeod, Young & Weir	100.67

NEW LOAN LICENSE LAW MAY BE HELD UP FOR SOME TIME

Ottawa May Defer Enforcement for Provincial Conference

From Our Own Correspondent.

OTTAWA.—Just where Dominion jurisdiction begins and ends regarding a number of matters which affect the economic interests of the provinces threatens to become a most acute question. The latest challenge to the Federal authority has arisen over the bill passed at the session of parliament just closed and which aims to control loan and insurance companies.

Two provinces—Ontario and New Brunswick—have decided that these statutes are an invasion of provincial rights, and, so deciding, have demanded that the Dominion government do not put them into operation until the precise constitutional position has been clearly defined. It is believed here that, pending a decision over these protests, no attempt will be made to enforce the new law.

How Trouble Started

The amendments to the loan companies act arose out of trouble between the Dominion Superintendent of Insurance and one company, the Great West Permanent Loan Company. This company has been in a difficult financial position for years, its solvency or insolvency being a subject of controversy among financial authorities and the insurance department.

G. D. Finlayson, chief of the insurance department, decided some years ago that the company was rapidly becoming insolvent and that in the interests of the bond and stock holders the company either should be liquidated as quickly as possible or a new management placed in command. There followed years of contention between the company's directors and Mr. Finlayson, during which the latter endeavored to have the company write down the value of certain assets and to stop other practices which, in his judgment, were prejudicial to the future of the company. Finally, in 1924, Mr. Finlayson cancelled the company's license to operate.

It was out of the struggle which then ensued that the amendments, now being contested by the provinces, arose. The Great West Permanent took the position that the Loan Companies Act, under which the licenses were issued, governed only those companies which were incorporated after the passing of the act in 1914. Since the Great West Permanent was incorporated many years before 1914, the company ignored Mr. Finlayson's action and continued to do business as before.

Require Federal License

Thereupon Mr. Finlayson was instrumental in having amendments brought down providing that every loan and insurance company must obtain a federal license to operate. Under pressure from the representatives of the Great West Permanent one or two saving clauses were put in the bill. It was provided, for example, that if the minister of finance cancelled a license and the company considered his action unjustifiable, there should be an appeal to the Governor in Council. On the whole, however, and despite strong opposition, the amendments were put through without serious change.

During the discussion of the amendments in the select committee on Banking and Commerce, Mr. Finlayson stated, quite candidly, that if the amendments were put through, the license of the Great West Permanent Company would not be renewed.

Now, however, the whole question would appear to be thrown into the air. For, despite the bold declarations of ministers in parliament, the Dominion authorities have become quite chary about interfering with the rights of the provinces. It has been found to be too costly a business.

Unlisted Bonds

	Bid	Asked
Abitibi P. & P. 6s, 1940	104	105
Algoma Steel 5s, 1962	29½	31
Alberta Pac. Grain 6s, 1946	97¾	98½
Bell Telephone 5s, 1955	101½	101⅞
Belgo. Can. Paper 6s, 1943	102	102⅝
Brandram Henderson 6s, 1936 ...	97½	99¼
B. C. Pulp & Paper 6s, 1950 ...	83	87
Brompton P. & P. 6s, 1946	99⅝	100
Burns P. & Co. 6½s, 1943	103¼	104¼
Calgary Brewery 5s, 1942	88	90
Calgary Power 5s, 1940	92¾	93¾
Canada Lt. & Pr. 5s, 1949......	93½	94½
Can. Nor. Power 6½s, 1941....	101⅝	102½
Canada Paperboard 7s, 1937 ...	98½	100
Can. Steamships 5s, 1943	99¼	99¾
Can. Steamship 6s, 1941	98¼	98⅝
Can. Steel Fndry, 6s, 1936	104½	105½
Davies, Wm., 6s, 1942	93¼	94½
Dominion Iron 5s, 1939	28	30
Dominion Power and Tr. 5s, 1932	96¾	97¾
Dominion Textile 6s, 1949	106	...
Drummond Investment 6½s, 1938	99¼	100¼
Duke Price Pr. 6s, 1966	105⅛	105½
East Kootenay Pr. 7s, 1942....	103½	104½
Elec. Development 5s, 1933	100⅛	100⅝
Famous Players 6½s, 1943	98	...
Fraser Co. 6s, 1950	98⅝	99¼
Gatineau Power 5s, 1956.........	97½	97¾
Gatineau Power 6s, 1941........	100⅜	100¾
Howard Smith P. & P. 6s, 1941..	103½	105
International Paper 6s, 1941 ...	98⅛	98⅝
King Edward Hotel 7s, 1944	92	94½
Lake Superior P. & P. 6s, 1941..	106¼	107½
Laurentian Pr. 6s, 1936	103¼	104½
Laurentide Pr. 5½s, 1946	101¼	102
Maple Leaf Mfg. 6½s, 1943	103½	104½
Maritime Tel. & Tel. 6s, 1941 ...	103½	105
Manitoba Pr. 5½s, 1951	99¼	99¾
Mercury Mills 6½s, 1942	100¾	101¾
Mont. L. H. & Pr. 5s, 1951	99¾	100¼
Mont. Pub. Service 5s, 1942	99	99⅝
Nor. Can. Pr. 6s, 1945	101	102
Nor. Can. L. & P. 6s, 1946	100⅞	101⅝
Nor. West Utilities 7s, 1938	99	99¾
Nova Scotia Steel 5s, 1959	59	62
Nova Scotia 6% Debs.	32¼	34¾
Nova Scotia Tram. 5s, 1946	92	93½
Nova Scotia Tram. 7s, 1952	99½	100¾
Ont. Pulp & Paper 6s, 1931....	109½	111
Ottawa Hull Pr. 6s, 1948	103½	104½
Ottawa L. H. & Pr. 6s, 1953...	105	106
Ottawa Trac. 5½s, 1953....	101½	102
Ottawa River Pr. 6½s, 1953..	102½	103
Port Alfred P. & P. 6½s, 1943..	101¾	102½
Price Bros. 6s, 1943	103¾	104¾
Prov. Lt. Pr. 5s, 1946	100¼	101¼
Quebec Pr. 6s, 1953	107	110
Rio Tramway 5s, 1935	95¾	96½
Sao Paulo Tram. 5s, 1929	98	98½
St. Lawrence Paper, 6s, 1946...	97¼	98
St. Maurice Pr. 6½s, 1953	107⅞	108½
St. Maurice Valley 6s, 1945	99	100¼
Shawinigan W. & P. 6s, 1950...	105¼	106
Simpson, Robt., 5s, 1952	95	96½
Simpson's, Ltd., 6½s, 1945	103¼	104
Southern Can. Pr. 5s, 1955	98¾	99¾
Spanish River P. & P. 8s, 1941 ..	106¾	107½
West Kootenay Pr. 6s, 1943 ...	103½	105
Ottawa Mont. Pr. 6½s, 1949 ...	102¼	103¼
West Pr. of Can. 5s, 1949	97	98

Farmers Demand $700 an Acre as Plans Leak Out

From Our Own Correspondent.

ST. CATHARINES.—Sometimes a real estate man cannot always afford to lay all his cards on the table. A case in point has cropped up here in connection with plans of a syndicate, consisting chiefly of Chicago capitalists, to purchase 500 acres at Port Weller, the Lake Ontario terminus of the New Welland Ship Canal. It is proposed to establish a fine golf course, erect a fine hotel property and to make a very modern summer resort for tourists. The inauguration of government control of liquor sale undoubtedly has had considerable to do with the plans. E. C. Graves M.P.P., was commissioned to secure the property. He called all the farmer owners together and told them exactly what the proposition was. Mr. Graves figured that the property could be bought at $500 per acre, this price being greater than that for which several of the farmers had listed their farms. Some were willing to sell, but some who previously had listed their property for sale at less than $500 per acre now demand $700 per acre. The result is that the deal is in abeyance and there is a good chance that it will not be completed, although negotiations are continuing.

Had the farmers not been informed for what purpose their property was required, it is likely that everything would have been closed up by this time. But they are now holding out. The Port Weller proposition is the first one of moment which has been projected following the change in Ontario's liquor laws.

Ontario proposes to foster an industrial research institution with an endowment of $2,000,000 for the purpose of solving scientific problems of production and process for Canadian industries.

BOND MOVEMENTS OF THE WEEK

Week Ending April 19.

Bonds—	Int. Rate	Due	Yield	Range, 1926 High	Low	Range, 1927 High	Low	Ask	Bid	Latest Price High	Low
Asbestos gen. mtge. ..	6	1956	6.53	83¾	81	94⅛	88	93⅝	92¾	93	92½
Asbestos 1st mtge. ...	6	1941	5.81	..	..	101¾	96¼	101⅞	101⅛	101¾	..
Canada Bread	6	1941	5.48	106	104	105¼	105	..	105½	105¼	..
Can. Canners	6	1950	5.98	100	94	100¼	96½	100⅝	100	100¼	99¾
Can. Cotton	5	1940	5.02	99½	95	99¾	97	..	98	99¾	..
Montreal Tram. "A"..	5	1955	5.22	95	92½	97¾	94¼	96½	96⅜	96⅝	96
Quebec Rly.	5	1939	5.21	100	91⅞	99½	96	98	97¾	98	97¾
Wayagamack	6	1951	6.11	100⅝	90	100	97	98¾	..	98½	98
War Loan	5	1931	4.65	100.40	100.35	101.85	101.00	101.45	101.20	101.30	101.20
Do.	5	1937	4.55	104.95	102.75	104.20	102.95	103.50	103.30	103.40	103.25
Victory Loan	5½	1927	4.55	102.50	100.15	101.00	100.25	100.70	100.50	100.60	100.35
Do.	5½	1933	4.73	106.35	103.20	104.80	103.90	104.50	104.30	104.50	104.35
Do.	5½	1934	4.90	104.40	102.65	104.05	103.15	103.95	103.80	103.85	103.65
Do.	5½	1937	4.62	109.30	106.70	108.00	106.90	107.50	107.30	107.50	107.20
Do., Renewal	5½	1927	4.55	101.95	100.00	100.80	100.20	100.55	100.45	100.30	......
Do., Renewal	5½	1932	4.90	103.85	102.00	103.55	102.45	103.20	103.10	103.55	103.00
Do., Refund	5	1928	4.65	101.35	99.00	101.45	100.00	100.65	100.45	100.60	100.30
Do., Refund.	4½	1940	4.54	96.95	95.60	99.50	96.60	99.50	99.25	99.50	99.15
Do., Refund.	5	1943	4.76	102.80	101.10	103.00	102.30	103.00	102.75	102.85	102.75
Do., Refund.	4½	1944	4.56	97.15	95.70	99.25	98.05	99.50	99.25	99.25	99.10
Do., Refund.	4½	1946	4.59	96.90	95.65	99.50	96.70	99.50	99.25	98.80	98.65

WEEKLY RECORD OF FINANCING IN CANADA

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS.

Municipal

Place	Date Sold	—Sold To—	Rate	Maturity	Amount	Price	Cost Basis
St. John	April	Johnston & Ward and T. M. Bell & Co.	5%	30-yr.	$70,000	101.877	...
				40 yr.		102.277	...
Fort Frances	April	Wood, Gundy & Co.	5½%	Serial	80,000	102.04	...
Atwood Township	April	T. R. Billett & Co.	6%	20-yr.	6,000	107.17	5.40
L'Assomption County	April	Credit Anglo-Francais	5½%	20-Ser.	25,000	102.56	5.20
Chicoutimi, Que.	April	Credit Municipal	5%	25-Ser.	56,000	98.59	5.15
Barton Township	April	Dyment, Anderson & Co.	5½	10-yr.	6,194	103.29	5.08
Capreol	April........	W. L. McKinnon & Co.	5%	.....	18,000	.....	...
Vancouver Drainage	April	Bank of Commerce and Associates	...	.....	400,000	93.52	...

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Hydro-Electric Bond & Share Corp.	April	Wood, Gundy & Co., and Societe de Placements du Canada	5%	30-yr.	$3,500,000	95	5.33
Hayes Wheels and Forgings...	April	McLeod, Young, Weir & Co., and Murray & Co.	6%	1942	600,000	100	6%
Provincial Paper	April	Dominion Securities Corp.	5½%	20-yr.	5,300,000	95.25	5.90
STOCK ISSUES							
Hayes Wheels & Forgings	April .... (With bonus	McLeod, Young, Weir & Co., and Murray & Co. of 3 shares of common with every 10 shares	7% of preferred.)	Pref.	$650,000	100	...
Sprung-Clindinin, Ltd.	April	Lougheed & Taylor, and Carlisle & Farr	7%	Pref.	30,000	98	7.14

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and
Corporation
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Insurance for Buyer and Seller

International Actuarial Congress Recognizes Canada's Contribution

Eighth World Meet Will be Attended by Several Canadians and Will Discuss Actual Every-Day Problems of Life Insurance People

By **ARTHUR PEDOE**, Actuary, Continental Life Insurance Company.

Pedoe Will Report Congress for Post

Of more than passing significance to Canadian life insurance men, is the International Congress of Actuaries, which takes place at London, Eng., in June of this year. In the first place the congress is meeting for the first time since 1912, and its deliberations will therefore cover a period that, for growth and development, is without precedent in the annals of life insurance. Secondly, the subjects which have been chosen for discussion by the congress, are without exception, matters of vital interest to Canadian life insurance men, affecting as they do the everyday problems of industrial, group, and ordinary life experience.

In all this, Canadian life companies, both at home and abroad have not been mere partners, but have actually given leadership, with the result that the Eighth International Congress will be a virtual recognition of the place that Canada now holds in the eyes of life insurance men throughout the world.

In order that Canadian life insurance men may obtain an authoritative picture of the congress, The Financial Post has arranged with Arthur Pedoe, F.S.S., F.I.A., actuary of the Continental Life Insurance Co., for a series of articles covering both the congress itself, and the relationship between Canadian, British and American practice in matters which are under discussion. This series of articles which commences in this issue of The Financial Post, will tell in a brief, interesting way, the differences in practice and conditions that prevail in life insurance in the three great Anglo-Saxon countries. In addition, Mr. Pedoe will attend the congress, and will write for The Financial Post, his impressions of this international conference of life insurance men.

Mr. Pedoe, who has but recently come from England, is eminently fitted to write these articles by virtue of the fact that his experience as an actuary has been obtained in England and the United States, as well as in Canada. Commencing his insurance career with the Mercantile & General Insurance Co. in England, he later moved to the service of the Friends Provident & Century Co. in the position of assistant actuary. In 1923, Mr. Pedoe came to America, where he entered the service of the United States Life Insurance Co., under the personal supervision of Henry Moir, of the New York office. In 1924 Mr. Pedoe was appointed actuary for the Continental Life Insurance Co., the position which he now holds, with head office at Toronto. Mr. Pedoe is a fellow of the Royal Statistical Society and a Fellow of the Royal Institute of Actuaries.

The publicity already given to the International Congress of Actuaries, which meets in London, England, this June, shows that it is considered as a very important event in life insurance circles. Seven of these congresses have previously been held, the last in Amsterdam in 1912. The previous one in England was in 1898 and the last one in an English speaking country was in New York in 1903.

The very subjects to be discussed differentiate it from previous congresses and are of a general nature of interest to all life insurance men rather than the technical mathematical subtleties which laymen expect of a congress of actuaries.

Changing Basis of Insurance

The year 1927 appears to be the close of an era in life insurance history which we may say began in 1906, when the Armstrong investigation in New York into the management of some of the big American life insurance companies led to the enaction of drastic measures for their regulation and supervision. The effects of the Armstrong investigation were world wide. A similar inquiry was held in Canada and the present basis of operation of life insurance companies in this country was laid down in the 1910 Insurance Act. Also in Great Britain existing insurance regulations were reviewed and substantially changed in 1909. To-day, both in Canada and Great Britain measures are now before their respective parliaments to substantially change the basis on which life insurance companies have been operating since the years 1909 and 1910.

The 21 years from 1906 to 1927 have been years of great development in the three English speaking countries mentioned and the present time is eminently suitable for a review of these developments. This explains the prominence given by the congress to developments in life insurance in the past few years; namely, in industrial insurance, disability benefits, group insurance and the insurance of under-average lives. A fifth subject deals with developments in social insurance as sickness, old age and widowhood, gigantic schemes concerning which have been undertaken by the Government in Great Britain in recent years. As there are only seven subjects down for consideration the first four mentioned for the greater part of the agenda and they happen to be matters in the development of which Canada and the United States have played a great, if not the greatest part.

English Learn From Us

This interest in Canadian and American developments is of recent origin only. Prior to two years ago reference to American life insurance methods in the English insurance press were few and seldom appreciative. Disability and group insurance were both discussed by the English Institute of Actuaries, but with little appreciation by the speakers of the efforts of the companies on this side in developing what were new branches of life insurance. The recent interest may be due to the following incidents.

During the past few years a change has come over the offices in England transacting life insurance only. Several have amalgamated themselves or become absorbed in composite companies transacting every form of insurance, and others (including the big industrial life insurance companies), have opened up departments for transacting classes of insurance other than life, as fire, marine, accident, etc. Of these companies some transact general classes of insurance either directly or through subsidiary companies in Canada and the United States and in connection with this business it happened that two successive presidents of the Institute of Actuaries visited this continent. Theses gentlemen had the opportunity of viewing developments in life insurance on this side at first hand and their great praise of Canadian and American achievements, considering their official position, deeply affected actuarial opinion in Great Britain.

Further, Canadian life insurance companies have been transacting life insurance business in Great Britain for some years and their efforts in this difficult field for business have slowly but surely met with success. The tremendous expansion of the Sun Life in England and its recent purchase of a site adjoining Canada House in London for the erection of a head office building; all these matters have tended to give Canadian companies and their methods a great deal of publicity and special attention from the English insurance fraternity. In the past two years Canadian life insurance companies, the methods of their salesmen, the special conditions of their policies have become a popular topic in the life insurance press and the impression has been slowly gaining ground in the Mother Country that she is lagging behind in the development of life insurance as compared with the Dominion.

The importance of life insurance in the economic and social development of a country has suddenly become the principal topic of the speeches of the chairman of the English Life Offices, an entirely new point of view in life insurance in Great Britain, which shows how far Canadian and American ideas are gaining ground there.

Influence of Canadian Actuary

When reference is made to American life insurance methods and Canadians are included in the more general term it must not be supposed that Canada's claim to a share in these achievements is mainly on account of her proximity to the States with the consequent influence of the States on her life insurance institutions. In her uniform insurance legislation, her form of government supervision and non-medical insurance, Canada has been a pioneer and in the close co-operation of her life insurance companies and the consequent uniformity of operation among these companies, Canada is in a unique position. Further, Canadians have played no small part in the development of life insurance in the States.

Thus, Canada has not only a right to the special attention of the forthcoming Congress for her own achievements, but also on account of the prominent part which Canadians have played and even greater part they will play in the future in the life insurance developments in her great neighbor to her south.

* * *

(Mr. Pedoe's next article will deal with the whole question of government supervision in Canada, as compared to similar supervision in England and the United States.)

ARTHUR PEDOE, F.S.S., F.I.A.
Actuary of the Continental Life Insurance Co., whose articles on the International Congress of Actuaries, commence in this issue of The Financial Post.

Warn Against Four U.S. Insurance Companies

J. D. Finlayson, Dominion superintendent of insurance, has issued a warning regarding four American insurance companies that are seeking to write business in Canada. He says:

"It has been brought to the attention of the department that certain companies and societies located in the United States have been circulating by mail or otherwise in Canada literature designed to bring applications for insurance from Canadian correspondents to the head offices of the companies.

"In some cases the circulars contain statements to the effect that the companies are fully authorized to write insurance by mail in the United States and Canada. As such a statement conveys the impression that the companies have obtained some form of authority from the Dominion authorities permitting them to solicit insurance by mail, the department considers it in the public interest to state that no such authority has been granted to any company not regularly licensed under the insurance laws of the Dominion.

The companies in question have no legal status in Canada. They maintain no assets in Canada for the protection of Canadian policyholders, and have provided no facilities for action being taken against the companies in Canadian courts. All foreign insurance companies legally authorized to transact insurance business in Canada are regularly licensed by the department, and the public should be warned against interpreting statements such as those referred to in the foregoing as indicating any official or unofficial recognition by the department.

Of the companies whose activities have recently come to the attention of the department are the following:

Catholic Mutual Relief Society, Omaha, Nebraska; Ministers' Protective Society, Meadville, Penn.; Union Mutual Casualty Company, Des Moines, Iowa; Union Mutual Life Company, of Iowa, Des Moines, Iowa.

Insurance Personals

License has been issued to the Constitution Indemnity Company of Philadelphia, authorizing it to transact in Canada the business of automobile insurance. T. Meunier, Montreal, Que., has been appointed chief agent in Canada.

* * *

License has been issued to the Saint Paul-Mercury Indemnity Company, of Saint Paul, authorizing it to transact in Canada the business of automobile insurance. P. A. Codere, Winnipeg, Man., has been appointed chief agent in Canada.

COMPENSATION RATES WILL SHOW INCREASE

New Schedule to Be Issued For Quebec Will Show Jump—Government Plan Still Indefinite

From Our Own Correspondent.

MONTREAL.—Two questions are bothering the employers and insurance men of Quebec province. Firstly, what is going to happen to Workmen's Compensation insurance in 1928, and, secondly, what are the rates going to be in 1927?

The conference held last week in Quebec, between representatives of the tariff casualty companies, and the provincial government, should go far towards clearing up the situation in respect to workmen's compensation in that province. Since the new act was summarily repealed by the government a few weeks before it was to have gone into force, the companies have been uncertain as to the exact position in which they would find themselves after the current year has elapsed. They, therefore, sought from the government an authoritative statement as to possibilities of a drastic change taking place in this field in 1928.

No official statement has been issued, but The Financial Post learns from an authoritative source that the Quebec government, if returned to power in the forthcoming provincial election, will wipe out the new act that was to have come into force on April 1, and will make an entirely fresh start on the whole question. Insurance men view this new attitude of the government very favorably and contend that the government appears to be still quite favorable to allowing private companies to write this class of risk. In the meantime, the old scale of benefits is still in force, and practically all the companies, both tariff and non-tariff, are busy writing business for the current year. What rates are employers going to have to pay for their compensation this year?

First Scientific Compilation

The answer lies in the new schedule of tariff company rates that is to be issued this week. For the past few years the experience of workmen's compensation, as written by private companies in Quebec, has been exceedingly bad. In 1925 the loss ratio for Dominion licensed companies was about 82 per cent., and last year the figure was only slightly improved at 71 per cent. What was the reason? Primarily the rates were not scientific, but were based for the most part on hopes rather than experience.

The new schedule of tariff company rates which is to be issued this week is the first really scientific compilation of rates for workmen's compensation in Canada. How will they compare with previous rates? Unquestionably they are much higher than heretofore. Some individual risks are lower, but, for the most part, employers of labor in Quebec will pay much more heavily for their compensation than they have done in the past. It is estimated by one insurance man, who is actively concerned in this business, that the average increase will be from 15 to 20 per cent. higher than the rate level of previous years.

Maritime Life Advances

According to the latest statement of the Maritime Life, there has been an increase of 80 per cent. in the number of applications received for the first three months of 1927, as compared with the same period of 1926.

NEW EQUITABLE DIRECTOR

Col. Spencer Joins Board of Waterloo Life Company

Lieut.-Col. Nelson Spencer, D.S.O., of Vancouver, B. C., has been elected a director of the Ontario Equitable Life and Accident Insurance Company, Waterloo, of which S. C. Tweed is president.

Col. Spencer is a former resident of Medicine Hat, Alta., which constituency he represented in the legislature of Alberta.

In 1916 he recruited the 175th Battalion with which he saw active service in France. Moving to Vancouver in 1921 he engaged in the logging and lumbering business. Col. Spencer is a director of a number of western corporations.

NEW VICTORIA INVESTMENT HOUSE

A new investment house opened in Victoria, recently, under the name of Brown Bros. and Allan, Ltd. The company will specialize in Canadian securities, and are members of the Victoria Stock Exchange. Besides their activities on the exchange the firm is also interested in insurance and real estate. The members of the firm are, George S. Brown, Herbert Brown, and Hugh Allan.

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Income Tax problems.
The series of articles on income tax problems that have been running in The Financial Post have been one of the most valuable features we have ever published. Acceding to numerous requests that we make these available in permanent form, we have re-published the first fifteen articles in booklet form. The articles are thoroughly authoritative, having been prepared by an expert of undoubted ability, with the highest knowledge of rulings. A purely nominal charge of 25 cents per copy is being made to cover the expense of printing and binding the booklet. Lawyers, trust company officers, corporation secretaries and others interested in income tax problems should order copies now. After this edition is exhausted no more copies will be available, although subsequent booklets will be printed of succeeding articles, making in time a fine record of rulings on knotty points in income tax.
Write:
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143 University Avenue, Toronto

Current Events in Banking World

LENDING OF MONEY IS MOST IMPORTANT OF BANKER'S JOBS

Study of Character and Ability Necessary in Safe Loans

From Our Own Correspondent.

KITCHENER. — The important bearing which loaning has upon the relations of a bank manager with the general public was informatively outlined by Major S. C. Norsworthy, D.S.O., M.C., of Toronto, superintendent of the Ontario Division of the Bank of Montreal, when he addressed the Kitchener Bankers' Educational Club. The meeting, the second since the club's organization, was presided over by D. A. MacMillan, manager of the Kitchener branch of the Bank of Montreal. It was attended by 127 branch executives and clerks from Kitchener and the surrounding district. T. R. Richardson, Imperial Bank manager, introduced the speaker.

Major Norsworthy, in his talk which embraced the rewards which banking holds for those who make it their life work, the nature of the work itself, and the place which those in the profession fill in a community, dealt interestingly with situations which occur in banking both from the aspect of the branch and head office. He told the clerks and managers why they became discontented with bank work at times, and in a comprehensive manner showed reasons why they should not allow themselves to become dissatisfied with conditions which exist in banking.

Meet Only Successful Men

Touching on the remarks of George Wilson, of Toronto, former assistant general manager of the late Union Bank of Canada, to the effect that bank employees' salaries would soon be higher, Major Norsworthy said: "While I don't look for anything revolutionary, I have no reason to think we shall not share in the more prosperous times that our business leaders predict for us, I'm not bold enough to attempt to argue with any body of men that their salaries are large enough."

One reason why so many bank clerks become dissatisfied with the salaries they receive is that invariably they are brought into association with only the most successful business men. When a man fails in business, according to the major, his visits to the bank are fewer and consequently the banker's continued association with him is improbable. Naturally the bank clerk is not likely to compare his lot with that of the unsuccessful business man. In referring to the opportunities which confront a bank clerk to branch out into other fields of business, the speaker declared that during his experience as a banker he has had three chances to leave the bank and apparently better himself. Two of the institutions with which he was to unite himself, he said, have since been absorbed by competitors while the third failed, leaving him no reasons to regret not having made the steps.

Learns to Avoid Pitfalls

A banker by the nature of his work learns how to avoid the pitfalls that are found in the path of the inexperienced investor. Most of his dealings are with men of high intelligence and his relation to them is one of intimacy and confidence. Moreover, features to which sufficient importance is not always given is that lofty positions in banking offer correspondingly high salaries to those who achieve them, and that while a banker's emolument is moderate, an assured, steady income relieves him of the worries of the young man venturing into business with a small capital, which a false step may wipe out. These points, the speaker believed, are not always given as much consideration as they deserve by the man who bewails his lot as a banker.

Another factor which justifies a clerk's remaining with a bank is that assuming that he studies his profession, his value to the bank and his earning power increase until 60 years of age or later. In drawing a comparison of the value of a steady moderate income as a banker, against the possibility of attaining colossal fortunes in other lines of business, Major Norsworthy offered bankers a striking consolation. "The amount of pleasure and comfort which any one person can get from $2,000 is not twice as great as he could get from $1,000 and the amount we could get from $10,000 is certainly not ten times as great," asserted the speaker. "From this I draw two morals: first, not to be absurdly envious of men with large incomes; and second, not to risk my savings in speculative investments in the hope of doubling them. For if the chance of losing what I have and the chance of doubling it are even, I am risking the loss of far more pleasure and comfort than I stand to gain in terms of additional pleasure and comfort."

Lending Money Most Important

Major Norsworthy touched on the matter of promotions and bank routine, giving the reasons for the factors which are taken into consideration by head office men when contemplating a transfer of a manager or a clerk. The executive usually adopt the policy of not disturbing a man unless their new responsibilities will be definitely greater than the old, which results in the fact, that temporarily the best man may not be managing the best bank or have the best position.

"The lending of money is so difficult a subject that I would be tempted to avoid it but for the fact that it is admittedly the most important of a banker's duties," said Major Norsworthy in speaking of loans. "The motto which he tries to keep before him is: "It is a good thing for a banker to cultivate a sense of apprehensiveness." He stated that the information which a banker should have regarding persons with whom he expects to have credit transactions may be grouped under the four headings of antecedents, character, experience and means.

"With regard to antecedents, it is safe for a banker to assume that a man is no moneymaker when he has reached the age of, say 45, without accumulating any capital to speak of. Great caution should be observed when dealing with a man who has failed once. Occasionally, a business man may fail at a time of general depression and will later make a success, but the speaker declared that more often, when times of difficulty come a man that has failed once will give up the struggle more quickly than one who has an absolutely clear record.

Some Men Foredoomed to Failure

"As to character, obviously, we must be satisfied that our customer is honest. Reliability as to statements is almost as important as reliability as to promises. Men who would not deliberately make misrepresentations may do so from a sanguine temperament or carelessness.

"Speaking of experience and capacity, there are men who enter upon business operations who are foredoomed to failure. A banker, therefore, must direct his attention not only to honesty but also to capacity. The risk is increased if your customer is giving up one business to embark on some other, and it is still greater if your customer has had no previous business experience, for it is certain that he will be in competition with those who have.

"Coming to means, men invariably consider themselves worth more than they really are. Therefore, it is necessary to discuss all statements of assets with a view to correcting over-valuation. A prudent banker will not act upon even a written statement of affairs without a conversation with the party who has submitted it. This conversation will serve two purposes. First, it will correct over-valuations, and secondly, it will afford a fair index to the borrower's habit of mind and enable one to judge how far he is able to be trusted in any subsequent representations he may make."

Other Services of Banks

Major Norsworthy concluded his address by touching on the various other services which a bank can render to its customers, in addition to giving letters of credit and travelers' checks. Two which he emphasized are the providing of customers with letters of introduction to foreign business firms in good standing, and giving helpful information regarding the business methods of foreign countries. An important service also is the giving of credit information.

New Bank Branches

Returns for March from the various Canadian chartered banks show that there were only three new branches opened during the month, while there were no branches closed. The Bank of Commerce opened a branch at Parent and Ottawa Streets, Windsor, and the Bank of Toronto two branches, one at Walkerville, and one at Burrard and Robson Streets, Vancouver.

Canadian Gold Holdings in 1926 Greater Than Ever

Gold holdings of central banks and governments of the principal countries of the world at the end of 1926 were double what they were in 1913, returns showing $9,181,785,000 and $4,771,878,000, respectively, according to the Federal Reserve Bulletin. At the same time gold holdings in Canada were greater last year than in any other preceding year, having amounted to $158,105,000. The Canadian chartered banks report gold holdings of about $70,000,000 at the end of 1926; this does not include $27,000,000 deposited in the central reserve and included as gold held by the minister of finance. It is interesting to note that no country at the present time has any considerable amount of gold outside the central institutions, excepting India, the United States, Canada and Australia.

The re-establishment of European currencies upon a gold basis, which began in 1923 and 1924 and made marked headway thereafter, says the Bulletin, has been accompanied by some changes in gold holdings of different countries, but these changes have not been large except in a few instances. Of the selected countries in the following table, six show decreased holdings and ten increased holdings of gold during the years 1924 and 1926:

Changes in Gold Holdings of Selected Countries (1,000,000 dollars)

	1926	1924	Inc. or Dec.
Canada	158	151	7
United States	4,080	4,089	—9
England	735	757	—22
France	711	710	1
Germany	436	181	255
Italy	221	218	3
Austria	7	2	5
Belgium	86	53	33
Hungary	30	7	23
Netherlands	166	203	—37
Poland	27	20	7
Russia	85	73	12
Spain	493	489	4
Sweden	60	64	—4
Switzerland	91	98	—7
Japan	562	586	—24

Staff Gossip

Kenneth Deshane, who for the past two years has been ledger keeper at the Standard Bank in this city, has been transferred to Regina.—Ontario, Belleville.

* * *

Thomas H. Miller has been transferred from the Bank of Nova Scotia branch at North End, Saint John, to the Fredericton branch, succeeding A. V. Milton, who is resigning from the banking service.—Gleaner, Fredericton.

* * *

Prior to his departure for Toronto, where he assumed new duties with the Canadian Bank of Commerce, W. H. Lugsdin, manager of the local branch of that institution, was presented with a gold watch by the staff here.—Transcript, Moncton.

* * *

A familiar face is soon to be withdrawn from the banking circles of Vancouver in the transfer of A. M. Blott, for five years accountant at the head office of the Bank of Montreal to the office in San Francisco. Mr. Blott is leaving about May 10 and will take up the position of joint manager of the branch.—Province, Vancouver.

* * *

The Bank of Toronto has opened a branch at Barrhead, Alta., under the management of J. D. Hetherington.

Telfer Biscuit Said To Have Earned Profit

Balance sheet of Telfer Biscuit Co. for the year ended December 31, 1926, which has just been published, shows a net deficiency in working capital of $11,679. Current assets stand at $160,838 and current liabilities at $171,717. There is a secured bank loan of $142,229. There are further loans secured by mortgages which, with accrued interest, total $95,126.

Land buildings, machinery and equipment are valued at $457,093 and the depreciation reserve of $5,406 is stated by the auditors to be inadequate.

While no income statement accompanies the balance sheet, it is understood that the company under its present management had a moderate operating profit in the last calendar year, with prospects for 1927 fairly bright. The company operates a factory on Sterling Road, Toronto, and a warehouse at Montreal.

Re-organization of the company has been delayed because one preferred shareholder declined to consent to the plan which, among other things, would have relieved the company of liability for the arrears of dividends since December, 1923. While nominally the old interests remain identified with the property, it is known that interests which have made a marked success of similar enterprises are concerned with the active management at this time.

Johnston & Ward Open 12th Office at Kitchener

The opening of a branch office in Kitchener, Ont., is announced by Johnston & Ward, of Montreal, stock brokers and bond dealers. This will mark the opening of the twelfth branch of the company, offices now being in operation in Toronto, London, Kingston, Stratford, Sherbrooke, Moncton, N.B., Sydney, N.S., Halifax, Saint John, N.B., and St. John's, Nfld. The head office is in Montreal.

The Kitchener office will be under the management of H. C. Coughtry.

Fraser's Build Water Plant

The Fraser Co., Ltd., intends to set up a $75,000 filtration plant at Edmunston this summer. A gang of men are now at work excavating for the foundation. The company has about 600 men in their employ in that district.

Weekly Bank Clearings

(In comparison with the same week last year)

EASTERN CITIES	April 15 1926	April 14 1927
Halifax	$3,108,020	$3,082,548
St. John	3,173,409	2,395,139
Moncton	844,013	829,928
Quebec	5,999,960	6,695,141
Sherbrooke	767,401	923,764
Montreal	117,157,577	111,602,848
Ottawa	6,311,989	5,907,422
Kingston	673,460	756,678
Peterboro	733,352	1,087,149
Toronto	107,034,479	129,058,947
Hamilton	4,841,046	5,316,345
Brantford	1,071,489	1,138,958
London	2,634,313	2,666,730
Kitchener	981,250	1,238,478
Windsor	4,258,939	4,384,088
Sarnia	....	542,613
Chatham	670,278	876,490
WESTERN CITIES	**April 15 1926**	**April 14 1927**
Fort William	$ 773,702	$ 760,391
Winnipeg	42,947,525	36,287,485
Brandon	572,380	473,461
Regina	4,062,270	4,128,745
Saskatoon	2,077,691	1,755,609
Moose Jaw	1,111,012	1,104,964
Prince Albert	485,683	383,760
Lethbridge	535,423	621,626
Calgary	9,660,191	6,822,436
N. Westminster	781,511	777,041
Vancouver	17,968,805	14,079,855
Victoria	2,164,522	2,076,673
Edmonton	5,405,667	4,460,777
Medicine Hat	258,312	265,457

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DOMINION POWER AND TRANSMISSION COMPANY, LIMITED AND SUBSIDIARIES

CONSOLIDATED ANNUAL STATEMENT

For Year Ending 31st December, 1926

REVENUE ACCOUNT

Gross Earnings		$3,219,910.62
Expense	$2,143,861.74	
Interest	419,992.36	
Bad Debts written off	1,836.00	
Balance	654,220.52	
	$3,219,910.62	$3,219,910.62

ASSETS

	31st Dec., 1926
Properties	$24,731,780.34
Cash and Victory Bonds	130,992.39
Cash in Bank	252,227.86
Accounts Receivable	200,649.33
Stores	243,314.12
Charges Prepaid	12,880.99
Deferred Charges	62,009.07
	$25,633,854.10

PROFIT AND LOSS ACCOUNT

Balance at Credit 31st Dec., 1925		$ 528,848.27
Surplus Earnings, 1926		654,220.52
Dividends on Preferred Stock	$ 313,750.50	
Depreciation Reserve	332,159.34	
Balance	537,158.95	
	$1,183,068.79	$1,183,068.79

LIABILITIES to the Public

	31st Dec., 1926
Funded Debt	$7,876,000.00
Notes Payable to Bank	....
Accounts Payable	281,977.18
Customers' Deposits	4,582.58
Bond Interest Matured	5,402.50
Bond Interest Accrued	105,869.05
	$8,273,831.31

To Shareholders

Capital Stock, Preferred (52,116 shares $100 ea.)	$5,211,600.00
Capital Stock, Partially (Paid $100 ea.)	20,318.36
Capital Stock, Ordinary (77,000 shares $100 ea.)	7,700,000.00
Dividends Payable 15th January, 1927	93,651.00
Reserve for Depreciation	3,674,286.41
Reserves, Miscellaneous	123,008.07
Profit and Loss	537,158.95
	$25,633,854.10

Signed on behalf of the board,

W. E. PHIN
CYRUS A. BIRGE
Directors.

Hamilton, Ont., 30th March, 1927

I have audited the books and accounts of the Dominion Power and Transmission Company, Limited, and also those of its Subsidiary Companies, for the year ended 31st December, 1926, and have been furnished with vouchers for all expenditures. I have obtained all the information and explanations I have required, and in my opinion the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of my information and the explanations given me, and as shown by the books of the Company.

C. S. SCOTT, F.C.A., Auditor.

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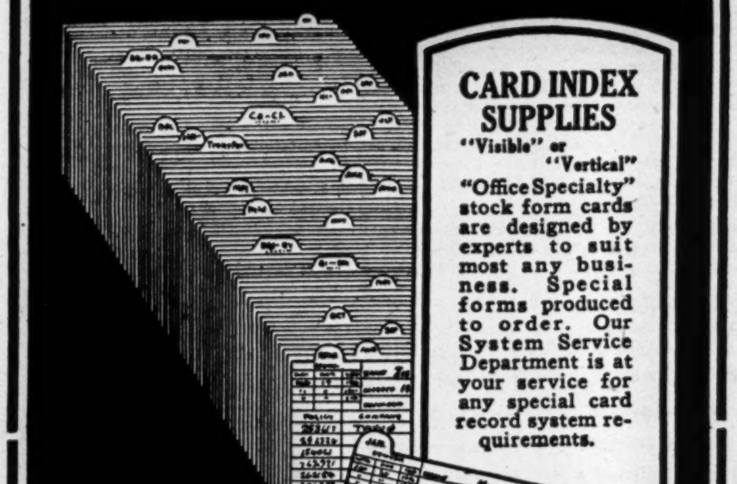
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FOREIGN EXCHANGES

Navigation Opens, Helps Our Funds

Conducted by **JOHN E. LANGDON.**

New York funds did not show any great change during the past week, discount ranging from 5-64 to 7-64. It is expected that Canadian funds will show further strength during the next week or two on account of the opening of navigation, which is expected to take place about the beginning of next week. There are large quantities of grain in storage at the head of the lakes all ready to move, much of which will go to American ports, either for consumption or for milling in bond.

Feature of foreign exchange in the past ten days has been the remarkable strength shown by the Italian lire and weakness by the Japanese yen. Between April 12 and 20, lire advanced from 4.87 to 5.08¼. This has been largely due to further buying on prospects that flotations of Italian loans in New York will continue in present volume. There has been much speculation in this currency and large profits have been derived by long accounts.

Slump in the yen has been due to the uncertain financial situation in Japan, created by the rejection of the Privy Council of the Government's plan for aiding the Bank of Taowam, the consequent resignation of the cabinet, and temporary suspension of the Bank of Taiwan. The rate closed last week end at $.4894, and declined to as low as $.4844, off $.0050. The situation is expected to readjust itself shortly, as a new cabinet will undoubtedly be formed on the understanding of granting the promised aid.

The rest of the market showed little change. Easter holidays interfered with operations to some extent, as most European markets are closed on Easter Monday.

NEW YORK FUNDS

	High (Discount)	Low	High (Discount)	Low
April 13	3-64	5-64	1-32	3-32
April 14	3-64	1-16	7-64	5-32
April 18	....	....	11-64	11-64
April 19	7-64	7-64	11-64	11-64
April 20	7-64	7-64	11-64	11-64

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
April 13	4.85 9/32	3.91½	4.97
April 14	4.85 5/16	3.91½	4.91½
April 18	4.85 5/16	3.91½	4.94½
April 19	4.85 5/16	3.91½	4.98¾
April 20	4.85 11/32	3.91 9/16	5.08¼

FOREIGN EXCHANGE

Par		April 12	April 20
19.30	Italian	4.87	5.08
32.45	Brazilian	11.81	11.81
23.82	German	23.69	23.68
19.30	Belgian	2.78	2.78
84.85	Japan	48.85	48.65

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PROSPECTING SERVICE
write
Pioneer Prospectors
Association Limited
357 Bay St., Toronto or Cobalt

NATION'S BUSINESS

Continued from page 1)

the necessity for aggressive merchandising of Canadian products in British and other export markets and his determination to make a substantial investment to gain those markets for Canada will win him the highest commendation from responsible Canadians.

* * *

PROVINCIAL elections in Quebec and Manitoba are not expected to see any change in government in either province. In Quebec Premier Taschereau and his liberal cabinet, that have been called more Tory than the Tories themselves, are virtually assured of re-election by a substantial majority since the short period of time intervening between now and election date leaves the conservative opposition little time to organize solid opposition.

In his election manifesto, Mr. Taschereau was able to point to a number of important accomplishments by his government, not the least notable being extension of hospital and charity work, colonization effort and highway development, but his greatest accomplishment has been to keep Quebec progressing along stable lines. In this respect his government has been as valuable for what it has declined to do as for what it has done.

* * *

IN MANITOBA, the government in power is popularly known as a farmer government, but it assumes no political labels and admits none. It has no alignment with either of the two chief political parties in federal politics and provincial politics elsewhere. Headed by John Bracken, it has brought Manitoba well through a period that started as troublous but that gained in prosperity as time went on. The government is likely to reap its reward in re-election.

Quebec Southern Power Now Serves 46 Places

Franchises have been obtained recently by the Quebec Southern Power Corp. subsidiary from the Parish of St. Benoit and from St. Placide in Two Mountains County. Extension of service to these communities has already begun.

Besides enlarging its scope of operations, these new lines will traverse a rich territory and, what is of more importance, will extend the system to navigable water on the Lake of Two Mountains, a few miles east of Carillon.

Upon completion of these extensions, the corporation will be serving 46 communities.

Shawinigan to Give Rights to Shareholders Shortly

From Our Own Correspondent.

MONTREAL.—The shares of the Shawinigan Water and Power Company have maintained their recent gains on the market. The strength in the shares is due to two factors, first the recognized earning power and the abilities of its management, and second, with the steady expansion of the company, the shareholders see the need for further financing, which no doubt will be accomplished in part by the issue of stock to the present shareholders at below prevailing market levels.

Shawinigan is at present expanding by erecting a long transmission line to connect its system with the power house of the Duke-Price Company on the Saguenay; then there is a projected development at Carillon Falls on the Ottawa river. For these and many other smaller extensions to the property, financing must eventually be undertaken; many believe that the current year will witness a distribution of valuable rights to the stockholders.

Traymore Preferred Stock Issue Offered This Week

Among offerings being made this week, one of the most interesting is that of $850,000, 7 per cent. cumulative preference shares of Traymore, Ltd., by Gairdner and Co. The stock is being sold at $20 a share and carries with it a bonus of one share of common with every $100 purchase.

This company now operates five restaurants in Montreal and Toronto, and proposes to carry out further extensions with the proceeds of the present issue. They have been in operation for a number of years, the first restaurant being opened in Montreal some years ago. There will be no change in management, G. G. Plaxton continuing as president.

Similar companies operating in the United States have been very successful, the "chain" system enabling the management to effect economies in purchases, equipment, overhead expenses, etc.

$850,000

Traymore Limited

(*Dominion Charter*)

7% Cumulative Sinking Fund Preference Shares
(Par Value $20)

Preferred as to assets and dividends with full voting power and certain conversion privileges. Dividends payable January 1st, April 1st, July 1st and October 1st at par at any branch of the Bankers for the Company in Canada. Redeemable in whole or in part on any dividend date on thirty days' notice at $24.00 per share and accrued dividend.

CONVERSION PRIVILEGES

Preference shares issued and allotted on or before December 31st, 1927, are convertible at holders' option on any dividend date on thirty days' notice into common shares at the ratio of two common shares for one preference until April 1st, 1928, and at the ratio of three for two from April 1st, 1928, to April 1st, 1929; and from April 1st, 1929, to April 1st, 1930, share for share.

CAPITALIZATION	Authorized	To be Issued
Preference Stock ($20.00 par value)	$1,500,000	$850,000
Common Stock (without par value)	150,000 shs.	64,508 shs.

TRANSFER AGENT AND REGISTRAR: Montreal Trust Company, Montreal and Toronto.
BANKERS: The Royal Bank of Canada.
SOLICITORS FOR UNDERWRITERS: Messrs. Long & Daly, Toronto.
AUDITORS FOR UNDERWRITERS: Messrs. Price, Waterhouse & Co.
SOLICITORS FOR THE COMPANY: Messrs. Plaxton & Plaxton, Toronto.

Summary of information supplied by Mr. G. G. Plaxton, President, and Mr. George W. Wagar, General Manager of Traymore Limited.

THE COMPANY—The Company has acquired, free of all encumbrances and debts, the fixed assets, businesses and undertakings and certain of the current assets of five Companies, formerly operating Traymore Cafeteria, Toronto, Traymore Cafeteria, Harmony Lunch Peel St., Harmony Lunch St. James St. and Eastern Cafeteria, Montreal, all of which were under the control of Mr. G. G. Plaxton and his associates, and owns all the stock in the Company operating Krausmann Lorraine Restaurant, Montreal. Traymore Cafeteria, at 14 King St. East, Toronto, was the first of the chain, having been started in a small way in 1912, and was a financial success from the start. In 1914, after a careful study of the situation in the City of Montreal, the Eastern Cafeteria was opened at the corner of Bleury and St. Catherine Streets, one of the most important transfer corners in Montreal. Success encouraged further expansion, so that there are now in the chain five cafeterias and one service restaurant situated in ideal locations in the Cities of Montreal and Toronto, two of which, the Traymore and the Harmony, the largest cafeterias in Canada, are situated at the intersection of Peel and St. Catherine Streets in Montreal, which is reputed to be the busiest corner in Canada. Krausmann Lorraine, situated in Phillips Square in Montreal, is one of the most popular service restaurants in that City. The Traymore in Toronto is situated on the site of the original restaurant on the north side of King Street, just east of Yonge Street.

BUSINESS—These restaurants combined comprise the largest Canadian owned chain restaurant system in Canada. They are located at the best centres for restaurant business in both Montreal and Toronto, and backed by an efficient management, are all doing a flourishing business. Every restaurant opened by the present management has been profitable. To promote the more successful operation of the restaurants, on the chain system, the management was coordinated under one responsible head, Mr. George W. Wagar, General Manager, and a central baking shop, modernly equipped, was established and the company's own delivery provided. Originally, there was accommodation for one hundred and eighty people; to-day there is combined seating capacity of over fourteen hundred and fifty. Volume of business amounted to about Sixty-three Thousand Dollars ($63,000.00) in the first year of operations. During the last year (1926) the total volume of present combined businesses amounted to over One Million, Two Hundred and Twenty-Five Thousand Dollars ($1,225,000.00). During the last year these businesses catered to approximately ten thousand customers daily, or substantially in excess of three million five hundred thousand customers in the year.

LEASES—The leases owned by TRAYMORE LIMITED cover sites, located at or near the points of greatest traffic in both Montreal and Toronto and represent very real and valuable assets of the Company. Occupying sites in the most important centres of business in these cities, the Company is assured of the utmost stability in its business and will receive the maximum benefit from increasing local as well as tourist traffic.

SECURITY—No additional preference shares in excess of and ranking equally with the present issue of $850,000 can be issued and allotted unless the Company in the preceding fiscal year earns net income equal to not less than twice the total dividend requirements on the preference shares outstanding and to be issued. The Company may not create any mortgage, hypotheque, lien, or encumbrance on any of its assets other than purchase money mortgages or encumbrances on property acquired by it, and securities given to bankers, warehousemen and landlords in the ordinary course of business, without the assent of holders of 66 2|3% of outstanding preference shares.

SINKING FUND—A sinking fund of ten per cent. of net earnings remaining after payment of preference dividends is to be set aside in each year to be applied in the purchase of preference shares at prices not exceeding the redemption price or in the redemption of shares at the call price of $24.00 per share and accrued dividend.

EXPANSION—The Company proposes expansion in Montreal, Toronto, and other large centres, and already negotiations for desirable locations are under way.

EARNINGS—Consolidated earnings for the four fiscal years, 1922 to 1925 inclusive, and for the twelve months ending January 31, 1927, before deducting Federal Taxes, as certified by Messrs. Price, Waterhouse & Co., were as follows:—

Particulars	1922	1923	1924	1925	Year ending Jan. 31, 1927
Volume	$982,316.83	$970,688.39	$893,790.41	$1,097,337.29	$1,233,949.29
Operating Profits, before Deprec. and Federal Taxes	121,058.29	106,804.98	98,410.17	137,254.71	162,675.00
Provision for Depreciation	26,000.00	26,000.00	26,000.00	32,000.00	32,000.00
Net Earnings before Fed. Taxes	$95,058.29	$80,804.98	$72,410.17	$105,254.71	$130,675.00

NOTE—Two new restaurants were opened during the 1925 fiscal year.

Earnings over the past five months are 25% in excess of the corresponding period for the preceding year and it is estimated that upon completion of the expansion provided for in this financing the net earnings before depreciation and Federal Taxes will amount to $320,000, or equal to over 5⅓ times the dividend requirements of this issue. Deducting the dividend requirements of $59,500 on this issue from the above estimate, would leave a balance of $260,000, equal to $4.00 per share on the common stock now outstanding available for dividends, reserves for depreciation and federal taxes, sinking fund and further expansion. "Income" or "Use and Occupancy" insurance will be carried on each restaurant.

MANAGEMENT AND EXECUTIVE—The President of the Company, Mr. G. G. Plaxton, has with his associates the controlling interest in the common stock of the Company. He has been associated with the businesses now owned by it since the opening of the first restaurant in 1912. The General Manager, Mr. George W. Wagar, has been associated with Mr. Plaxton for the past thirteen years. The Company will continue under the management which has been responsible for the success of the businesses in the past. The lives of the President, General Manager and other executives will be insured in favour of the Company in an aggregate amount of not less than $200,000.

PURPOSE OF ISSUE—The proceeds of this issue will be used in part to acquire and consolidate the restaurants above referred to and to supply the Company with capital for expansion purposes.

DIRECTORS (*To be elected*)
President: G. G. PLAXTON, Toronto
General Manager: GEO. W. WAGAR.
D. N. C. HOGG, Montreal
J. A. GAIRDNER, Toronto
J. K. M. ROSS, Montreal
H. W. STEWART, Toronto
O. A. DOHERTY, Toronto

Price: Par and accrued dividend, yielding 7%

Plus a bonus of one share of common stock with every $100 par value purchased.

Fractional shares of common stock will be adjusted at $10.00 per share.

We offer the above shares, when, as, and if issued and received by us, subject to the approval of all legal details by Messrs. Long & Daly, Toronto.
It is the intention of the Company to make application for the listing of these shares on the Toronto and Montreal Stock Exchanges.

Orders may be telegraphed or telephoned at our expense.

GAIRDNER & COMPANY
Limited
312 BAY ST., TORONTO

WILLIAMS, PARTRIDGE & RAPLEY
Limited
171 ST. JAMES ST., MONTREAL

C. H. BURGESS & CO.
Limited
255 BAY ST., TORONTO

R. G. HOERNER & COMPANY
Limited
447 ST. FRANCOIS XAVIER ST.,
MONTREAL

COOPER AND MACKENZIE
MAIL AND EMPIRE BUILDING, TORONTO

The statements contained in this advertisement are not guaranteed, but are based upon information which we believe to be reliable and on which we acted in purchasing these securities.

BANK OF MONTREAL

NOTICE is hereby given that a DIVIDEND of THREE per cent. upon the paid-up Capital Stock of this Institution has been declared for the current quarter, payable on and after WEDNESDAY, the FIRST day of JUNE next, to Shareholders of record of 30th April, 1927.

By order of the Board.
FREDERICK WILLIAMS-TAYLOR.
General Manager.
Montreal, 19th April, 1927.

Dividend Notice

Massey Harris Company Limited

Preference Stock Dividend No. 6

Notice is hereby given that a dividend of 1¾% on account of dividends for the present fiscal year has been declared on the 7% cumulative preference stock of the Company. The above dividend is payable on and after the sixteenth day of May, 1927, to shareholders of record at the close of business on the thirtieth day of April, 1927.

By order of the Board,
C. N. APPLETON,
Secretary, Toronto.
18th April, 1927.

The Royal Bank of Canada

DIVIDEND No. 159

NOTICE is hereby given that a DIVIDEND OF THREE PER CENT (being at the rate of twelve per cent per annum) upon the paid-up capital stock of this bank has been declared for the current quarter, and will be payable at the bank and its branches on and after Wednesday, the first day of June next, to shareholders of record at the close of business on the 30th day of April.

By order of the Board.
O. E. NEILL,
General Manager.
Montreal, Que., April 19, 1927.

For Sale
Willys-Knight seven-passenger sedan, Model 66-6. Engine and paint in perfect condition.
Box 27
FINANCIAL POST
153 University Ave.,
Toronto, Ont.

INTERNATIONAL PAPER COMPANY
New York, March 30, 1927.

The Board of Directors have declared a quarterly dividend of Fifty Cents (50c.) a share on the Common Stock of this Company, payable May 16th, 1927, to Common stockholders of record at the close of business May 2nd, 1927.

Checks will be mailed. Transfer books will not close.

OWEN SHEPHERD,
Vice-President and Treasurer.

Tenders Wanted

for the purchase of the following

Town of Preston Debentures

$33,580.45

5% 10-year annual instalments.

$27,231.62

5½% 10-year annual instalments.

Tenders for above will be received by the undersigned up to noon, Tuesday, May 3rd.

GEORGE WURSTER, Town Clerk,
Preston, Ontario.

Notice of Dividend

FAMOUS PLAYERS Canadian Corporation, Ltd.

Notice is hereby given that a dividend of Two Dollars ($2.00) per share for the quarter ending the 1st of May, 1927, has been declared upon the First Preference stock of the Company, payable the 1st day of June, 1927, to shareholders of record Saturday, the 30th day of April, 1927.

By order of the Board,
N. L. NATHANSON,
Managing Director.
Dated at Toronto this 14th day of April, 1927.

FOR SALE
Rolls Royce, 1911, five passenger sports touring car, new cylinders, rear and front windshield, spare wheel and tire, body finished in Duco, new top and side curtains.
Box 25 The Financial Post,
Toronto, Canada

PENMANS LIMITED

Dividend Notice

Notice is hereby given that a Dividend of One Dollar ($1.00) per share has been declared on the New Common Stock for the quarter ending 30th April, 1927, payable on the 16th day of May to Shareholders of record of the 5th day of May, 1927.

By Order of the Board.
C. B. ROBINSON,
Secretary-Treasurer.
Montreal, Que., 11th April, 1927.

PENMANS LIMITED

Dividend Notice

Notice is hereby given that a Dividend of one and one-half per cent. (1½%) has been declared on the Preferred Stock for the quarter ending 30th April, 1927, payable on the 2nd day of May, 1927, to Shareholders of record of the 21st day of April, 1927.

By Order of the Board.
C. B. ROBINSON,
Secretary-Treasurer.
Montreal, Que., 11th April, 1927.

McINTYRE PORCUPINE MINES, LIMITED

(No Personal Liability)

DIVIDEND NO. 34

Notice is hereby given that a dividend of five per cent. (5%) on the issued Capital Stock of the company will be paid on the 1st day of June, 1927, to shareholders of record at the close of business on May 2nd, 1927.

By order of the Board,
BALMER NEILLY,
Treasurer.
Dated at Toronto, April 14th, 1927.

CANADA CEMENT COMPANY LIMITED

PREFERENCE SHAREHOLDERS

Dividend No. 69

Notice is hereby given that a dividend of 1¾% for the three months ending March 31st, 1927, being at the rate of 7% per annum on the paid-up Preference Stock of this Company has been declared, and that the same will be paid on the 16th day of May next to Preference Shareholders of record at the close of business April 30th, 1927.

H. L. DOBLE,
Secretary.
Montreal, April 14th, 1927.

THE CANADIAN BANK OF COMMERCE

Dividend No. 161

Notice is hereby given that a dividend of Three per cent. upon the paid-up capital stock of this Bank has been declared for the quarter ending 31st May, 1927, and that the same will be payable at the Bank and its Branches on and after Wednesday, 1st June next.

The Transfer Books of the Bank will be closed from the 17th May to 31st May next, both days inclusive.

By Order of the Board,
S. H. LOGAN,
General Manager.
Toronto, 14th April, 1927.

THE STANDARD BANK OF CANADA

QUARTERLY DIVIDEND NOTICE
No. 146

A Dividend of Three Per Cent. (3) for the three months ending 30th April, 1927, being at the rate of Twelve Per Cent. (12) per annum, has been declared payable on the 2nd of May, 1927, to Shareholders of record as at the 16th of April, 1927.

By Order of the Board,
N. L. McLEOD,
General Manager.
Toronto, March 23rd, 1927.

THE BANK OF TORONTO

Dividend No. 183

Notice is hereby given that a Dividend of Three Per Cent. for the current quarter being at the rate of Twelve Per Cent. per annum upon the Paid-Up Capital Stock of the Bank, has this day been declared, and that the same will be payable at the Bank and its branches on and after the FIRST day of June next to shareholders of record, at the close of business on the 14th day of May, 1927. The Transfer Books will not be closed.

By order of the Board.
JOHN R. LAMB,
General Manager.
The Bank of Toronto, Toronto,
April 13th, 1927.

Brazilian Traction, Light and Power Company, Limited

(Incorporated Under the Laws of Canada)

NOTICE IS HEREBY GIVEN that the Board of Directors of this Company has declared a quarterly dividend of 1½ per cent. on the issued Ordinary Capital Stock of the Company, payable on 1st June, 1927, to all shareholders of record on the registers, at the close of business on the 30th April, 1927.

DATED at Toronto, Canada, 13th April, 1927.

J. M. SMITH,
Secretary.

Note—The Transfer Agents of the Company are National Trust Company, Limited, Toronto and Montreal, Canada. The London Agents of the Company are the Canadian and General Finance Company, Limited, 3 London Wall Buildings, London E.C.2.

Canadian Mining News

THE FINANCIAL POST

Vol. XXI. 10c. a Copy; $5.00 a Year PUBLICATION OFFICE: TORONTO, APRIL 22, 1927 Member of Audit Bureau of Circulations No. 16

S. KEORA MEETING MARKED BY LACK OF FIREWORKS

Considerable Criticism is Voiced Over Action of Standard Exchange

SOME ACTION HINTED

Correspondence Read and the Solicitor Says They Will Await Next Move

There was not much fireworks at the annual meeting of South Keora held this week as a result of the demand of Standard Stock and Mining Exchange that a meeting be held. There was no criticism of the board for not having held a meeting and no questioning of the reports presented.

There was some by-play when Sect. W. E. Smith was asked by a shareholder to explain his position in regard to the financing of the company and the fact that he was associated with Philip Kieley who had the option on the stock. There was also some fireworks in regard to the action of the Standard Stock Exchange in its dealings with the company's stock and there were hints that some action might be taken by the company because of the injury sustained through the action of the exchange which broke the market for the company's stock.

Expects Good Results

The report issued was a fair one. It showed that the company since its revival last year, has made quite an effort to get an operation going on the properties purchased on advantageous terms in Gillies' Limit. Julius Messer, M.E., the company's engineer, said that the geological conditions on the property were identical with the O'Brien and Violet property of La Rose and he had confidence in its developing into an operation of merit. He said that there was one shoot now dipping into the shaft which ran 200 ounces and in a test pit on the vein on surface they got as high as 1,600 ounces. It is proposed to sink the shaft 100 feet and then drift north. The best ore is expected when they cut a number of cross veins which are in the vicinity of the diabase-keewatin contact.

In dealing with the criticism of his position Sect. Smith said his partner had taken an option on the company's stock when it was selling around five cents and when the directors had been unable to interest others in the financing of the operation. His firm had placed some $88,000 in the treasury of the company and before they could make a market at all, had been forced to purchase 120,000 shares of stock that was offered.

Exchange Correspondence

The solicitor of the company read the correspondence which passed between the company and Standard Exchange. It consisted of about eight letters and the demands made by the exchange were complied with. When requested to put the shares back on the list, the company was told by the exchange that they would wait for a copy of the report and to see what happened at the annual meeting.

When the reading of the correspondence was completed, Pres. W. Gunton asked if shareholders thought that was a nice way for the exchange to treat the company. He asked if they deserved such treatment. He asked if it would not have been nicer for the exchange to state what they wanted to give the company a chance to

(Continued on page 21)

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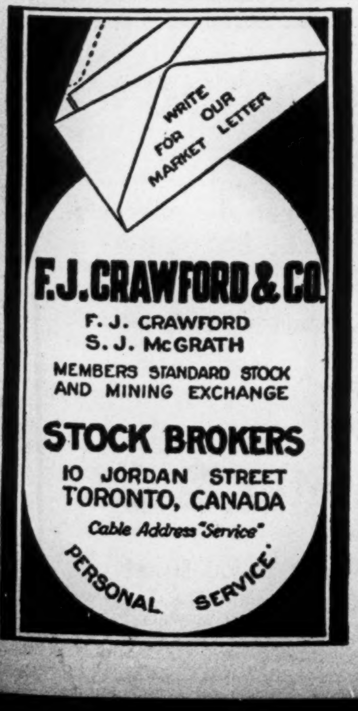
WRITE FOR OUR MARKET LETTER

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MEMBERS STANDARD STOCK
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PERSONAL SERVICE

International Nickel Will Erect Copper Smelter and Refinery at Copper Cliff

Froad Mine Drilling Indicates Huge Copper Mine Down to 2,000-ft.—Will Ship Electrolytic Instead of Blister Copper as at Present

Canada is to have its second electrolytic copper smelter and refinery. It will be built at Coppercliff by International Nickel.

This important announcement comes from President Robert Stanley, New York.

As has been suspected, this announcement, following the rise in the shares, follows the diamond drilling of the Frood mine, completed some time ago. Several weeks ago The Financial Post was informed in confidence as to these results. They indicated an enormous body of ore, heavy in copper. It was estimated that there was a possible tonnage of 25,000,000 tons and that the nickel and copper content indicated a gross value of something like $25 per ton. While these figures may be high, the fact that the company is going to put in its own plant at Coppercliff and ship refined instead of blister copper, indicates that the results have been tremendous.

At the present time only one plant in Canada ships electrolytic copper: Consolidated Smelters, at Tadanac, B.C., produces 40 tons daily.

Heretofore International Nickel has produced blister copper as a by-product of its nickel ores.

Not long ago Hon. Chas. McCrea told the legislature that there was a possibility of establishing a customs smelter in the Sudbury district. With a refinery established, it would not be surprising to see International Nickel go in for customs ores and perhaps draw copper ore from the possible new areas—Munro, Boston Creek and Kamiskatia.

This is just one more step on the part of "Nickel" to complete the treatment of its products in Canada.

Mr. Stanley's announcement follows:

"Results from recent diamond drilling at the Frood mine indicate high-grade copper ore at depths below 2,000 feet. The nickel contents of this copper ore is relatively low and the tonnage is sufficient to justify the company operating this section of its Frood mine as a copper deposit. Owing to the depth of the ore it will take between three and four years to bring this mine into production for either copper or nickel.

"In this connection the company proposes to erect its own electrolytic copper refinery at Copper Cliff and when the Frood mine is in operation will produce all of its copper in the form of electrolytic copper rather than in blister copper, as is now being done."

Hollinger Reserves 2½ Times Annual Output

Some Interesting Deductions Are Made From Recent Annual Report—Production 23.1 Tons Per Foot of Development

Some interesting deductions have been made by Engineering and Mining Journal from Hollinger's annual report. One of the outstanding ones is that production is at the rate of 23.1 tons per ft. of development. It says:

At the Hollinger mine a series of gold veins is under development and exploration simultaneously with the production of 1,930,158 tons of ore or thereabouts per annum. The veins vary in width and value, but generally fall into the division of relatively narrow workings. The extent of the work contemporaneous with mining is not often fully realized, but in this instance the annual footage of sinking, drifting, crosscutting, and raising aggregated 83,326 ft., or almost 16 miles. Ore production is at the rate of 23.1 tons per foot of development. The ratio is roughly estimated at 10 cu. ft. of ore per cubic foot of development.

The detailed figures are of interest. Shafts aggregate 2,334 ft.; drifts, 35,571 ft.; crosscuts, 44,851 ft., and raises, 570 ft. This work was distributed upon 23 levels and within a vertical range of 100 to 3,200 ft. In addition, diamond drilling aggregated 115,017 ft.

To maintain an ore production of close to 2,000,000 tons per annum, Hollinger reports 4,992,929 tons of ore in reserve; 80,280 tons in surface outcrops, and 2,706,025 tons of probable ore; a total of 7,779,239 tons. The estimated gross value of this reserve and probable is stated in the annual report to be $66,081,733. Thus, setting aside probable ore, Hollinger maintains reserves of about two and one-half times the annual production. During 1926 production averaged 5,295 tons per day. The average value was $7.99 per ton. Mining costs, excluding overhead, were $2.63 per ton and included no doubt development and exploration.

The labor figures are also of interest; the average number employed in the year was 2,482, divided into 1,571 miners, 374 mechanics, and 537 general. The overall ratio is 777 tons per annum per man employed.

Hollinger is in fact a number of mines under one management and keyed into a general development plan. The economic results are no doubt influenced in large degree by this arrangement and would be entirely different were a number of separate properties operated.

ARGONAUT BUYS BLOCK OF BONDS AT LOW FIGURE

Sale of Block of Laval Enables it to Improve Position

The report that Argonaut has used the funds raised by the sale of blocks of its Laval stock when the market for those shares was strong to retire a substantial amount of its bonds, will prove good news to holders of Argonaut shares. What makes the news even better is that bonds redeemable at maturity at $120 were picked up at $85. Bonds outstanding totaled $500,000. The $145,000 raised by the sale of Argonaut shares enabled the company to buy up $166,000 in bonds, making a net saving of $64,740, and leaving outstanding $293,000 bonds.

A. E. Moysey's market despatch, in discussing the situation says, Argonaut's move was "far-sighted," and adds:

"Argonaut originally disposed of its Rouyn properties to Laval-Quebec Mines, Ltd., for a consideration of approximately 1,300,000 shares of the latter stock, so that, after deducting the reported sale from total treasury holdings, it is indicated that Argonaut still owns something like 1,000,000 shares of Laval. After the retirement of the foregoing bonds, there remain outstanding, at the present time, approximately $293,000 per value, out of a total authorized issue of something like $500,000. It is believed that the Argonaut officials will seek to buy in these outstanding bonds from time to time, and will endeavor to finance the transactions through the sale of a portion of its remaining Laval-Quebec stock.

"This method of disposing of its bond issue naturally will serve to strengthen the financial condition of Argonaut Consolidated Mines, Ltd. With the bonds out of the way, the equities back of the common stock will be enhanced. This improvement likewise should find reflection in a better market valuation for Argonaut stock."

HUDSON'S BAY GAVE UP MINING RIGHTS

Supreme Court of Canada Decision of Importance to Industry

Hudson's Bay Co. when it gave up its vast northern Empire to the Dominion of Canada and accepted Western Settlement lands in exchange gave up the mineral rights.

The Supreme Court of Canada has so decided.

In restoration days, when Charles II was King, Prince Rupert and his company of gentlemen adventurers obtained empire over a vast territory about Hudson's Bay. They were "absolute lords and proprietors." In express terms they were given "all mines royal as well discovered as not discovered, of gold, silver, gems and precious stones to be found or discovered within the territories, limits and places aforesaid."

The point in the case was whether, in making the surrender, the company also surrendered ownership of precious metals in the lands occupied by the company at its posts and adjoining its posts.

The Supreme Court decided against the company.

The court held that when the rights and possessions were given up the company was to exercise and possess for the future no rights other than those of a private trading corporation owning property in Canada.

Great Need of North is More Prospectors

What the North needs more than anything else is more prospectors.

The above assertion was made this week to The Financial Post by one of the oldest and most successful prospectors of Northern Ontario and Quebec.

Get more prospectors in the field and there will be more prospects of merit forthcoming, was his assertion.

Twenty thousand men in the bush would not be too many, he said. The industry is developed to the stage now where it can absorb a new camp each year.

To-day there is a shortage of good prospectors. To start the season, those who staked last year have got to do assessment work or lose all. They will not get into the bush until July and then their season is short.

The suggestion made is that monied interests should get prospecting outfits into the field to look for new prospects. There is plenty of money, he said, for prospects that possess merit.

STOCK SPLIT OF W. HARGREAVES IS GIVEN APPROVAL

Shareholders Get Two No Par Shares for Each One Now Held

Wright Hargraves shareholders, meeting this week at Buffalo, gave approval of the directors proposal to split the stock 2 new for one old. The capital is being increased from 2,750,000 dollar shares to 5,500,000 shares of no par value.

Wright Hargreaves is the first Kirkland Lake company to split its stock. It is generally believed that similar action will be taken by Lake Shore. This matter rests with Pres. Harry Oakes and when he thinks the time opportune, undoubtedly some action will be taken. Lake Shore's capitalization is $2,000,000 or $750,000 less than Wright Hargreaves. It is the only gold mine in Northern Ontario that has come through from a prospect to one of the most profitable producers in the country with a two million capital and has not found it necessary to increase or change its capital structure. Wright Hargreaves achieved the same thing but started with a higher capital. Vipond, when it started producing had but $2,000,000, but it has been through a number of reorganizations, the last being marked by an exchange of one new share for four old.

Two Silver Mines

Two other mines in the north, both silvers, have but $2,000,000 capital, Keeley and Castle. Neither of their records stand up with Lake Shore. Keeley played a part in wrecking the Farmers Bank and a good deal of money was spent on it before it fell to the present company. Castle had to issue $200,000 preferred to build its mill and has since paid that off out of earnings.

Wright Hargreaves last year earned 47 1-2 per cent. and paid 32 1-2, twenty per cent. regular and three five and one seven and a half per cent. bonus. Production to date has been from a small area around the two shafts and the company has easily a good half mile of virgin mining land, the possibilities of which Manager James Grant has a pretty good idea, yet to mine.

The last report showed that Wright Hargreaves ore was stepping up to within shooting distance of the rich Teck-Hughes. Lake Shore values and it is not without the realm of possibility that just as rich ore will be found on their property. This is especially true of the section west of the fault or dyke, which has not been mined but which has been diamond drilled in a limited way. It will likely take a few months to get the new mill addition in place when the daily tonnage will be increased by fifty per cent. It is not believed that there will be any decline in the average value per ton.

Silversmith to Double Mill—Plans to Handle Ore of Slocan King

Silversmith Mines, a Slocan, B. C., producer, has made arrangements to crush the ore from Slocan King Mines, and with this end in view it has started to remodel its mill for treatment by the all-flotation method, and to increase its capacity from 125 up to 250 tons per day.

Slocan King is working on a different part of the same lode as Silversmith, Slocan Star, Ruth-Hope, and Richmond-Eureka mines, and the deep development is being done from No. 10 level east of Silversmith mine, at a depth some 800 ft. below the surface, with virgin ground between. This level has been driven 250 ft. in Slocan King territory, and the full distance in a full face of ore of a good milling grade.

Churchill Reopens Property

The Churchill Mining and Milling Co. has decided to reopen the property upon which considerable development work has already been completed. With this in view, Walter R. Knox was appointed mine manager,

Nature of Prospector's Work—Its Uncertainties and Possible Rewards

Scientific Prospecting To-day Regarded as Desirable Career—Task of Finding Payable Ore Difficult, But Value When Found is Worth While

By DR. W. L. and W. M. GOODWIN,

Third of a Series of Articles on the Prospector and Prospecting.

The work of a prospector is so unlike any other, either in the woods or in civilization, that few persons except those who have prospected realize its elementary conditions and requirements. The nearest approach to it is, curiously enough, research in a laboratory, where the secrets of nature are likewise sought and revealed. The lives of the researcher and the prospector are, of course, entirely dissimilar—indeed, they are as unlike as the four walls of the researcher's room and the leafy wilderness and blue sky that alone confine the prospector's view. But both have launched out into the unknown, guided by the principles of science and confident in the knowledge that, if they steer a straight course, they will at last reach the land of their desires. Scientific research is to-day considered the only sure basis for industrial progress and is known to be a sound business investment. Similarly, scientific prospecting is now known to the initiate both as a desirable career and as a paying proposition.

Find Ore Mine Each

One must beware, however, of assuming that it is easy to find a mine. It is not. It is one of the most difficult things in the world to find a payable mineral deposit, and it is only because the deposit is so immensely valuable when found that the search is worth while. If each genuine prospector in this country finds one mine during his lifetime, Canada's mineral industry will become, in one generation, greater than any the world has ever seen. But a good prospector can hope, with reason, to find a number of good prospects that have reasonable chances of making mines. These he can turn over to development companies whose business it is to take hold of good looking properties and either prove or disprove them. He cannot expect to get a fortune for an unproved prospect, however promising it may appear on the surface, for the majority of even these prospects of good appearance are bound to be disappointing on further development; it is only the occasional prospect that makes a mine and so makes the work of the development companies profitable. But the prospector can reasonably expect to obtain for his prospect, after it is accepted for development by the company, a modest sum, sufficient to support his search for a further period. It is the deferred optional payments and the small interest he retains in the property that will make his fortune in case it becomes a mine.

An Adventurous Life

Thus the work of a prospector is, of necessity, highly speculative. For this reason, as well as for others, it appeals to comparatively few men, and holds still fewer. It is essentially in adventurous life the prospector leads. There is the attraction of the free woods life, with its travel by trail and canoe, its tented home untramelled by the perquisites and conventions of society, the alternating enjoyment of fair weather and combat with the elements, and the daily voyage of discovery through the uncharted wilderness. There is plenty of rough work in the life, too, for pick-and-shovel and hammer-and-steel, are the principal ways of following up the clues found on the surface. But the black flies of June, the sweaty trips in July, and the dog-days of August will no more distract the true prospector from his search than will the steady slogging required to open up his find (or supposed find), by means of trenches and test-pits. Always he is buoyed up by the hope that animates every born explorer, and occasionally he is rewarded by the thrill of a discovery.

Attracts Technical Men

The attraction of prospecting as a substantial means of making a living is well illustrated by the numbers of technically trained men who have adopted it as a profession during recent years. Those who have followed closely the growth of the Rouyn camp in Quebec cannot fail to have noticed the comparatively large proportion of engineer-prospectors who have "struck it rich." It is a new departure for men who have spent their time and money getting a university degree to take up prospecting as a profession, but the result seems to justify it amply. It seems likely that more and more of the scientifically trained men having at the same time the impulse to adventure and a liking for the woods life, will become prospectors and bring into the work all the aids that their training can afford. In time they will, doubtless, evolve a technique that will eliminate some of the uncertainties of the search and thus bring prospecting nearer to the plane of the present mining and metallurgical practice where chance plays a very small part in the programme. Already, a close study of the rock formations and the habits of mineral deposits has excluded from the search vast areas of unprofitable ground and has centred the search in comparatively restricted areas. This illustrates the geological aids, whose use is extending very rapidly. To illustrate mechanical aids, consider the dip-needle which has been a useful tool for many years and once again has proved its worth in Rouyn. Again, the electrical survey is a means of finding sulphide deposits that is certain to be of considerable use in this country, where bodies of sulphides abound. Other aids of such a nature are sure to be devised when engineering talent is brought to bear fully on prospecting problems, just as the problems of mining and metallurgy have been solved satisfactorily as soon as trained men tackled them.

Enough has been said above to illustrate both the attractions and the uncertainties of the prospector's life. It suits comparatively few dispositions. In the opinion of the writers, it presents to young men of adventurous disposition and good staying powers a most attractive opportunity. And this opportunity will last, not for a few years only but for at least a generation to come.

Former Nickel Official New Editor of Mining Journal of New York

E. H. Robie, who has been appointed acting editor of Engineering and Mining Journal, New York, succeeding J. E. Spurr, resigned, was for six years, 1913 to 1919, associated with Canada Copper Co. and later, when it was merged with International Nickel, he went over to the Nickel Co.

Mr. Robie graduated from University of Michigan, 1911, and after two years with Cochrane Research Laboratory, Philadelphia, he joined Canadian Copper Co., working first at the Cobalt silver reduction plant and then in various departments of the copper-nickel smelter at Copper Cliff. In 1916 he took an extended trip through the smelting districts of Arizona, Utah, Montana, and British Columbia, studying smelting problems.

After the Canadian Copper Co. was merged with the International Nickel Co., Mr. Robie was put in charge of experimental work in concentration, subsequently taking charge of sampling as well. In 1919 he joined the staff of Engineering and Mining Journal.

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MINE POSITION OF TOWAGMAC LOOKS VERY ATTRACTIVE

Reserves Shown on One of Company's Three Ore Bodies—Cash Position Strong

The limited amount of development work accomplished on No. 3 ore body on Towagmac's Alderson MacKay mine, under option to N. A. Timmins, Inc., has put in sight 200,000 tons of ore down to 125 ft. level. The ore runs 4.25 per cent. copper and 85 cents in gold and silver. Taking copper at 13c., the basis Noranda employed in its report, this figures $11.90 per ton or $2,280,000. The body is known to extend for a length of 150 feet, and has been proven by drilling to 244 feet.

Ore bodies 1 and 2 which outcrop and give 15 feet of 8.31 per cent. copper, 60c. gold and silver, or $22.20 average for No. 1 and 13 feet 4.5 copper and 70 cents gold and silver, an average of $12.40 for No. 2, which outcrops are not developed at depth. No. 2 body ore surface has been opened for a length of over 150 feet.

These facts, along with details of the company's financial position, are outstanding in the annual report. Cash on hand at the end of the year was $289,559 and to this would be added the proceeds of the sale of 149,990 shares at $3.50 per share, concluded on April 1, and which would give a total cash balance of $814,524, minus the expenditures on various developments from Jan. 1 to date.

Expenditure Outlined

A feature of the report is the frank way expenditures are outlined to show just where the $13,387, operating expense, went to. Some good news on subsequent developments should be forthcoming at the meeting in Montreal on Monday next.

Balance sheet figures follow:

ASSETS	
Mining properties, rights, etc.	$601,025
Sundry mining claims and interests	25,973
Plant account	1,091
Cash on hand and in bank	289,599
Accounts receivable	3,891
Stores and supplies	209
Profit and loss debit	13,909
Total	$935,700
LIABILITIES	
Accounts payable	$ 10,593
Capital surplus	75,000
Depreciation reserve	97
*Capital stock	850,010
Total	$935,700
Cr.	
Misc. income	$ 419.75
Interest and discount	2,364.90
Profit and loss:	
Bal. at debit of profit and loss account, 31st Dec., 1926	13,909.35
	$16,694.00
Dr.	
Operating expenses	$13,386.60
Organization and prel. exp.	3,307.40
	$16,694.00

Detail of Operating Expenses

Management and admin.	$ 8,709.09
Advertising	124.25
Corporation expenses	1,631.25
Depreciation	97.45
Examinations	943.75
Engineering	54.51
General outside properties	787.60
General expenses	227.86
Liability insurance	321.24
Traveling expenses	470.30
Taxes	19.30
	$13,386.60

W. P. Alderson and A. A. MacKay, managing directors, outline the properties of the company and work done as follows:

Alderson-MacKay Mine

A total of 4,300 feet of diamond drilling was done, a two-compartment shaft sunk to a depth of 150 feet and 470 feet of drifts and cross-cuts were run on the 125-foot level. All this work was done on No. 3 orebody, and has placed in sight and indicated approximately 200,000 tons of ore, running 4.25 per cent. in copper and about 85 cents in gold and silver. This body has an average width of over 31 feet and has been drifted on or drilled for a length of 150 feet without disclosing its termination. The deepest drill hole bored cut this deposit at a vertical depth of 244 feet, and indicated 33 feet of ore running above 5 per cent. in copper and about 75 cents in gold and silver.

Two other orebodies, Nos. 1 and 2 are outcropping to the south of No. 3. No development work, however, has been done on them so far, except trenching and sampling, which gave the following results:

No. 1 orebody, 15 feet wide, running 8.31 per cent. copper, 60c. gold and silver.

No. 2 orebody, 13 feet wide, running 4.5 per cent. copper, 70c. gold and silver.

This latter ore shoot has a length of at least 100 feet.

An extensive development programme is now being drawn up for all three orebodies and other promising areas on this group, and will be put into effect this coming spring.

A temporary plant was installed at the mine in August, 1926, for preliminary development work.

Power Available

With the approaching completion of the transmission line from the Quinze Rapids, which will supply electric power to the mines of the Rouyn district, arrangements are now in progress to change from steam and gasoline, at present in use at the mine, to electric power.

For this purpose, 3-100 K.V. Moloney transformers have been purchased, and are now on the property.

An eight drill, electrically-driven air compressor, to replace the two gasoline-driven Schramm compressors, now in use, has also been bought and is now being assembled.

A series of concentrating tests were run on different types of Alderson-MacKay ore by the Ore Testing Laboratory, Ottawa. The results of these tests show that excellent concentration products may be obtained from both the copper and zinc ores of this mine, 95 per cent. of the copper, 70 to 90 per cent. of the zinc and 85 per cent. of the gold and silver values being recoverable without difficulty.

In August, 1926, your company entered into an agreement to perform a minimum of 4,000 feet of diamond drilling on the Lake Fortune property, in return for 200,000 shares of Lake Fortune Mining Co., Limited. stock, and an option on the balance of the treasury stock. The results of the drilling, which is not complete, are not very encouraging.

Francoeur-Arntfield

An optional agreement was entered into with the Arntfield Mining Syndicate Limited, under which part of their west group of claims, viz., the Joe Baker, Brule, and the west half of the F. S. Arntfield claim are to be consolidated with some of your company's holdings, viz., the Francoeur and Collins Claim, and the south part of the Crann claim, provided that the results of further trenching and diamond drilling to be carried out by your company are favorable.

This consolidated group includes what is so far known as the most valuable part of the mineralized zone, extending over part of the west Arntfield group and across the Francoeur claim for a total length of 6,000 feet. The mineralization consists of disseminated pyrite and is largely confined to a sheared rhyolite-greenstone contact. The claims are so grouped that the mineralized zone is well protected in the direction of dip.

Both on the Arntfield and Francoeur claims the shear zone has been trenched at intervals along the strike for a distance of 2,000 feet. The sampling of six trenches put down on the Francoeur claim shows the existence of a mineralized zone of 127 feet in length, of an average width of 13.7 feet and an average value of $7.08 per ton in gold.

On the Joe Baker claim of the Arntfield group, the same shear zone was trenched at regular intervals and channel assays up to $7.50 in gold over widths as high as 33 feet were obtained.

It is the intention to thoroughly explore this ore zone by diamond drilling.

Bell-Thompson

Regarding the Bell-Thompson group, consisting of seven claims, one in Dasserat and six in Boischatel townships, the managing directors say:

In this group, totalling 1,080 acres, your company owns a 60 per cent. interest. Beyond that required by law, very little work has been done on it. However, two well-defined east-west shear zones lying north of and nearly parallel to the Francoeur-Arntfield mineral zone have been located on it. These are mineralized with pyrite and have a number of quartz veins and syenite porphyry dykes paralleling their strike.

Although much of it is overburdened, the group is well situated so as to contain most of these zones along their strike. It also covers the possible extension of the Francoeur-Arntfield break to the west.

This group will be further explored in 1927.

Sixty Duprat Claims

In the fall of 1926 a group of claims were staked in the south-west quarter of Duprat township and adjoining some previously held ground, making a compact group of sixty 40-acre claims bounded on the west by the Coniagas Mining Company's holdings, on the south by the O'Sullivan line and on the east by the Consolidated Mining and Smelting Company's claims. The geological formation is highly favorable and consists, as far as known, largely of Keewatin lavas with intrusions of gabbro, diabase and porphyry dykes. Several mineralized areas were found during staking, but no work has been done on any of them. Some grab samples were taken which ran as high as $4 in gold.

A party is now engaged in making a magnetic survey of this block of claims. They will be geologically mapped and thoroughly prospected during the coming summer.

East of the Consolidated Mining and Smelting Company's claims your company holds four 40-acre claims on which a mineralized vein 6 to 8 feet wide, containing much quartz and ankerite and mineralized with pyrite and chalcopyrite was found. Assays of grab samples gave $3.25 in gold.

Southwest of Centre Lake in Duprat township seven 40-acre claims have been staked recently. They are situated along the northern contact of the Flavrian lake granite, and in extremely favorable geological surroundings.

Scattered Holdings

The company holds under mining license, eight 40-acre claims, which adjoin the Bell-Thompson group to the west and extend into Dasserat township. They are largely covered by overburden, but are desirable on account of their location, which covers a possible westward extension of the Francoeur-Arntfield shear zone or of any other parallel fractures. A dip needle survey made of three of these claims showed no magnetic anomalies.

East of the Bell-Thompson group, in Boischatel township, four fractional claims, totalling 117 acres, were staked during the summer of 1926. Most of the ground is heavily overburdened. A magnetic survey made during the winter showed several acres of high magnetic attractions. These will be explored in the spring.

South of the Francoeur claim are two fractional claims totalling 58 acres. They originally had been part of the Francoeur claim, before a survey proved the latter to be over-sized.

Near the centre of Dasserat township south of the centre line, and on the west shore of Island Lake, your company holds three 40-acre claims. Some stripping was done here on a mineralized rhyolite-greenstone contact, a chip sample of which assayed $3.20 in gold. Near this contact a stringer 4 in. wide of nearly massive chalcopyrite, assaying $6.40 in gold was found.

In Joannes township, at the bend of the Kenojevis river, your company holds two 40-acre claims, lying on the contact of Keewatin lavas and Temiskaming sediments. A shear zone containing quartz veins with tourmaline and mineralized with pyrite was thoroughly trenched. Channel samples across the solid vein assayed up to $3.20 and grab samples as high as $6.40 per ton in gold.

Further exploratory work will be done on all of the above claims this coming field season.

Plan Air Service to Central Manitoba

Western Canada Airways is perfecting its plans in conjunction with the Manitoba Chamber of mines for the operation of an air service from Lac Du Bonnet into the mining areas of Manitoba. The machines used will be seaplanes capable of carrying four passengers or a thousand pounds of freight and flights will be made to lakes with which the mineral field is plentifully sprinkled.

PICTOU SHALE DEPOSIT IS TO BE DEVELOPED

American Interests Will Undertake Active Work This Summer

It is stated that a large plant will be constructed this summer by H. L. Doherty & Co. and Cities Service Co., of New York, in connection with the development on an intensive scale of the Pictou Torbonite shale deposit in Nova Scotia......

The field is controlled by Oil and Nitrate Products Limited. Harold C. E. Spence, president, and Doherty & Co., and Cities Service Co. have acquired a large interest and four of their directors have been elected to the board, the vice-president, secretary and treasurer of the Cities Service Co., and the Chief Consulting Engineer and Managing Director of Doherty & Co.

Preliminary Work Satisfactory

Their preliminary work, covering a year in drilling and testing the field with full refining reports, also reports from every economic point of view, as to the possibilities of working the field at a profit, are of a very satisfactory nature, and the work when well under way will be on a vast scale.

The holdings of Oil and Nitrate Products, Ltd., and subsidiary, cover approximately 11,500 acres. The geological thickness of the Torbanite oil strata is 3,500 feet. Drilling has proved 2,200 feet of thickness, and the material ranges in value from ½ bbl. to 3½ bbls. of oil per ton of material, with a by-product of from 35 to 90 lbs. of ammonium sulphate per ton. Half a barrel per ton material can be worked at a profit with the by-product by open cast steam shovel quarrying, and the tonnage is estimated in the billions.

Oil from oil shale is now being produced in California at a cost of $1.25 per bbl., with a capacity of 160 tons per day. It is stated that, with a 1,000 ton plant now being constructed, the cost for mining and producing the crude oil will not be more than 75 cents per bbl. The oil of the Pictou fields should be produced for very little more, and would have a market value when refined of at least $15 per bbl., the crude being superior to Pennsylvania Crude for refining purposes.

Other Fields Prospected

An exhaustive geological survey of the northern half of Nova Scotia and Cape Breton for petroleum, covering approximately ten million acres, was undertaken last year by H. L. Doherty & Co. of New York, Harold C. E. Spence, Montreal, and the Gulf Co., with headquarters in Pennsylvania.

The results, according to Mr. Spence, are not encouraging for the probable production of natural petroleum. The formation along the northern coast before a possible oil sand might be reached is over 8,000 feet thick. The same formation at Prince Edward Island has recently been drilled over 4,600 feet without results, at which horizon it was thought possible indications might be found.

The Gulf Oil Co. is drilling at Port Hood, Cape Breton. The results so far are in doubt. Nova Scotia, however, has in its rich Torbinite oil field in Pictou County, an asset superior to most oil fields that have been discovered, and, therefore, need not be disappointed at a dearth of natural petroleum, which is seldom found where large deposits of oil shales or Torbanites are located, as in Scotland, France and Australia.

However, a number of leases have been taken by the Spence and Doherty interests, north of and on the pitch of the Torbanite deposits, in Pictou County, some geologists being of the opinion that on account of the great richness of the lowest strata, running 2½ to 3½ barrels to the ton of material, it might be possible that oil might have migrated to a north sand and on the pitch of the strata of the areas and beneath their lowest horizon. Outside of Pictou County nothing of interest was found.

Grozell-Kirkland Plant Rapidly Nearing Completion

Installation of a mining plant on the Grozell-Kirkland Gold Mines is being proceeded with. It will be steam-driven and includes a three-drill compressor.

The new plant is capable of sinking to a depth of 500 feet, and this is the immediate objective of the shaft, which will be started as soon as the plant is ready. Stations will be cut every 125 feet, and no lateral work will be started until the 500-foot level is reached. It will likely take from three weeks to a month to get the plant ready to operate. Two bunkhouses and a cookery have already been erected on the property.

The Grozell-Kirkland property comprises three claims and a fraction adjoining the Hunton Kirkland to the east and the Chaput-Hughes on the north. The Grozell property includes a small lake, and it is thought possible that the south vein of the Lake Shore Mine runs into this ground. The formation at the Grozell is sediments, cut by porphyry. An eight-foot fissure vein, showing gold and sulphides was disclosed by stripping. Finances for the exploration of the property were recently arranged and Cleveland people are said to be interested.

BARRY HOLLINGER ANNUAL

Barry Hollinger annual meeting will be held May 10 at Prince George Hotel, Toronto.

Nipissing's Montbray Area Looms Large For Coming Summer

While great attention is being focused on Corona Mines due to the electrical survey being conducted under the personal supervision of Dr. H. Lundberg, mining men look upon Corona's 400-acre block in Dasserat Tp., adjoining Nipissing's Montbray holdings, with equal favor. Nipissing's success in getting the equipment for a mining plant on their property in Montbray makes the outlook for the testing out of the high drill results excellent. From a reliable source it has been learned that Nipissing's Montbray holdings are looked upon as second to Noranda. Another payment of Nipissing on its Quebec prospector's deal is about due. The fact that the mining plant has been taken in, has presaged the making of this payment.

Now that the snow is going surface work on a larger scale can be undertaken in the other groups surrounding, and the results of the next few months' operations will, it is believed, put Corona and others in the neighborhood in the forefront.

Dunwell Mill Run Averaging $25 a Ton

STEWART.—Dunwell Mine's new mill is on a 24-hour basis, grinding about 100 tons of ore daily, with prospects of increasing that amount to 125 tons.

R. M. Stewart, president of Dunwell, has made known the fact that, while Dunwell has ore running as high as $40 a ton, it will not be the company's policy to feed such heads to the mill. Instead, high- and low-grade will be mixed to average about $25 a ton.

Beginning with a production of a 40 per cent. zinc concentrate, the value has been worked up to about 50 per cent. Lead started at 20 per cent., but tuning of tables and flotation separation systems have brought the lead to about 40 per cent. Gold and silver contents of the concentrates have not been made known. It is reported locally that the gold amounts to 16 ounces a ton.

It is hoped to raise all the concentrates to still higher proportions, said Mr. Stewart.

Vipond Production Figures

Vipond Consolidated during March milled 7,781 tons of ore and shipped bullion to the value of $63,200.

Premier
1926 Statistics
The annual report gives the following interesting information:
Value of Gold produced
$2,526,480
Value of Silver produced
$1,979,733
Amount dividends paid
$1,600,937
Ore reserves
$11,495,073
At current prices, the dividend yield is approximately 14%. We recommend Premier for income return and appreciation in value.
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LOW SILVER PRICE CAUSES OPERATORS CURTAIL EFFORTS

Gowganda Camp Seems the Hardest Hit as Costs Are Higher

The continued slump in the price of silver has deeply depressed the silver operators of Northern Ontario. None of the producers have as yet closed but there has been little to encourage them to go on. There are reports abroad that Canadian Lorrain's mill may be stopped and an aggressive exploratory effort undertaken. Definite information will likely be forthcoming when Dr. Bell has had an opportunity to visit the property.

Mining Corporation continues to press development in South Lorrain. Some remarkable widths of high-grade ore have recently been encountered. This ore was found on the Watson vein above the 225 level, and in places shows 4 ft. of ore running several thousand ounces to the ton. At the adjoining Keeley property, the 16-28 vein system has been developed to the 12th level or 895 ft. below the surface. Some rich ore has recently been encountered which gives a total depth of ore in this particular system of 400 ft.

It was recently reported that Castle had opened up high-grade on its new 700-ft. level, which is well below the diabase sill. Otherwise operations have slackened materially. Tonapah has eased up on the Morrison and Haultain and Plata also quit. W. J. Mine, Huronian Belt's operation, has not been going this year. Morrison had opened up considerable milling ore and it will likely wait until the silver market improves. Plata was controlled by Noranda. Capital mines has been ready to start operations for some time, but it is unlikely that it will do so now.

In Cobalt, the old producers continue. La Rose will soon reopen. Peterson Cobalt continues exploration, and there is keen interest in the O'Brien effort and the new work in the Kerr Lake, S. E. Coleman and Gillies Limit sections.

Harvie Smith, Oxford Cobalt, South Kenora, Pete Cobalt and others should continue work as their work is development only, and they have no silver as yet to sell.

NEW COMPANY TAKES OVER ORFORD-COBALT

Old Shareholders Will Receive Two New for One Old Share

Oxford Cobalt Mines, holding an attractive group in S.E. Coleman part of Cobalt area, north of Gillies Limit border, has decided to sell its assets to a new company, Oxford Silver Mines. The new company will be capitalized at $3,000,000, head office, Toronto, and old shareholders will get two new for one old, leaving a substantial block in the new treasury. Some large Toronto interests are taking a hand in the company and it is expected that a vigorous campaign of underground work will be launched to follow up a successful diamond drill exploration which the old company carried out. There are two shafts on the property and though the contact area is yet to be explored, work underground to date has revealed massive cobalt carrying good silver values, while here and there patches of good silver ore have been met with. The contact area has been found to be the favorable horizon in the Cobalt camp.

New Engineer for Granada-Rouyn

W. J. Hosking, who has been engineer at the Tough-Oakes-Burnside for some time, has resigned to accept a post as engineer for the Granada-Rouyn Mining Company, Ltd., and will take charge of the Granada workings on the old Bathurst claims in the course of the next few days.

The geology of the Granada workings is very similar to that of Kirkland Lake, and mining men here are congratulating the Granada officials on securing a man of Mr. Hosking's experience to take charge of their plant.

MINING STOCK QUOTATIONS

Week Ending April 19

	Par. Val., $	Div. Rate	Yield	High for wk.	Low for wk.	Close Apr. 19	Sales for wk.	Range, 1926 High	Range, 1926 Low	Range, 1927 High	Range, 1927 Low
Abana	.	...	...	34	31	31	1000	..	..	31	20
Aconda	.	...	...	27	20	27	13000	..	..	42	20
Ajax	.	...	...	..	..	..	....	..	..	44	6½
Algonquin	1	...	...	2⅞	2¾	2¾	29000	6¼	1½	5¼	2
Amos	.	...	...	..	..	..	....	..	..	56	15
Amulet	1	...	...	119	1.09	1.12	67970	2.89	.90	2.89	.85
Andean	.	...	...	..	..	..	....	..	..	22½	19
Apex	1	...	...	..	..	..	....	6	2¾	31½	2
Area	1	...	...	34	31½	31½	53100	1.55	.21	1.95	.29
Argonaut	1	...	...	43	41	42	59000	67	18½	58	28
Atlas	1	...	...	5½	5	5¼	51200	5	1⅝	7	2
Allied Mines	.	...	...	4.80	4.40	4.40	9485	..	..	5.50	2.70
Baldwin	1	...	...	2½	2½	2½	7000	6⅞	1	4¾	2¼
Bard	.	...	...	1.11	.92	1.05	6300	..	..	1.50	.30
Barry Hollinger	1	...	...	42	40	41¼	49950	1.00	.21	1.00	.36½
Beatty	1	...	...	..	..	..	...	..	..	½	½
Beaver	.	...	...	92	76	90	78600	99	51	92	59
Bellellen L.	1	...	...	3½	3½	3½	7000	28½	20	28½	3½
Bidgood	1	...	...	12	9	11	30100	9⅝	4½	12	9
Boischatel	.	...	...	8	6	8	2700	..	..	27	6
Bourlamaque	1	...	...	55	50	50	3600	1.45	1.02	1.53	.50
Boston Creek	.	...	...	..	..	..	....	..	..	1	½
Buckingham	1	...	...	5½	5	5	25100	7¾	2	9½	4¼
Bunker	.	...	...	76¾	76¾	76¾	50	..	..	77¾	76¾
Calartic	.	...	...	..	..	..	....	..	..	1.00	94
Canadian Lorrain	1	...	...	35	22½	27	109,50	93	57	72	22½
Capital R.	.	...	...	..	..	..	....	43	25	54½	15
Capital S.	1	...	...	26¼	25	25	13300	48½	24	34	24
Castle Tre.	1	...	...	1.00	96	97	27775	1.85	.91	1.27	.95
Central Manitoba	.	...	...	1.23	1.21	1.25	13100	..	..	1.37	1.07
Chaput H.	1	...	...	8¾	7½	8½	21600	22	3⅛	10	4⅝
Clifton	1	...	...	1½	1	1½	2000	6½	1	2	1
Coniagas	5	...	...	3.70	3.70	3.70	100	4.85	3.00	4.40	3.41
Coniaurum	5	...	...	3.25	3.00	3.25	1045	4.45	3.00	3.50	2.85
Col. Kirk.	1	...	...	5	3	4⅞	20925	6¾	2	3⅞	2
Cons. Smelt.	25	10	3.87	2.62	2.58	2.58	2583	2.65	1.77¼	2.64	2.42
Corona	1	...	...	16½	14⅜	16½	27400	37½	20	37	11⅜
C. W. Dome	1	...	...	7⅜	7½	7½	16400	29½	14	19	7
Crown Res.	1	...	...	8	7¾	7¾	7000	24⅛	8	11⅜	7¼
Davidson	1	...	...	..	..	..	....	3	1½	3	1½
Destor	.	...	...	..	..	..	....	41	40	43	40
Dome Mines	none	1.00	12.63	8.40	7.60	7.90	1715	20.00	8.00	10.85	7.60
Don Rouyn	1	...	...	32	23	29	109925	61	25	56½	18
Duprat	1	...	...	14	13	13½	107100	35½	10	34½	13
Dubec	.	...	...	53	45	52	61860	..	..	47	35
Duprey	.	...	...	..	..	..	....	..	..	10	10
Everett	1	...	...	3⅝	3½	3½	3000	12¼	3¾	5½	3
Fiske	.	...	...	.....	..	..	....	16	12	30½	10
Fisher, Que.	.	...	...	80	75	80	3200	..	..	78	75
Gifford	.	...	...	..	..	..	....	..	..	1¾	½
Gladstone	.	...	...	..	..	..	....	..	..	29	27
Goldale	1	...	...	28	25	26½	34400	43	24	30	20
Gold Hill	1	...	...	38	36	36	59182	73½	25	54	34
Gold Reef	1	...	...	..	..	..	....	5	1	2½	1
Grover Daley	.	...	...	15	13¼	13¾	28800	32	32	37	12¼
Harvey	.	...	...	14	14	14	30	..	..	16	15
Haultain	.	...	...	..	..	..	....	..	..	15	14
Hillcrest com.	.	...	...	..	..	..	....	..	..	65	60
Do., pref.	.	...	...	..	..	..	....	..	..	87	84
Hilltop	1	...	...	15	14½	14½	6500	31¾	20	24	14
Hollinger	5	26	6.76	20.80	20.70	20.70	9370	21.00	16.65	22.95	20.00
Howey Gold	.	...	...	50	49	49	5600	..	..	55	42
Indian	1	...	...	7¾	7	7¾	1800	14½	3¾	11	4
Inter. Nickel	none	2.00	3.81	54½	50½	52½	68812	46	33	54½	38
Jay Copper	.	...	...	..	..	..	....	1.10	.73	1.26	1.04
Keeley	1	24	16.66	1.45	1.40	1.44	10930	1.91	1.39	1.46	1.37
Keora Mines	1	...	...	5	4¾	4¾	12350	22	11	14½	4
Kirk. Hunt.	1	...	...	22	19½	20	62150	34	8½	35	14¼
Kirk. Lake	1	...	...	1.26	1.06	1.21	139925	1.44	.69	1.26	.85
Lakeside	1	...	...	2½	2	2	14500	10	1½	6	2
Lake Shore	1	...	...	19.49	18.55	19.35	8230	16.15	9.05	19.49	15.40
La Rose	1	...	...	9	8	8	4200	39	4	12	7
Laval	1	...	...	32	29	31½	56850	45¾	21	55	20
Lorrain	1	...	...	2¼	2	2	7000	15	2	3¼	2
Lorrain T. L.	1	...	...	30	30	30	300	1.00	.30	.40	.25
Lucky Jim	.	...	...	..	..	..	....	..	..	21	20
Macassa	1	...	...	26	24	25	20750	43	25	37	22
Marclay	1	...	...	..	..	..	....	35	30	42	34½
McIntyre	5	20	3.92	26.00	25.00	26.00	4926	29.75	22.70	27.50	24.50
McKinley D.	1	...	...	15½	13¾	15	28250	26	8½	17½	11
Millcrest	1	...	...	6	4½	5½	22000	6	4½	6	4
Mining Corp.	5	12½	...	3.65	3.48	3.56	25845	4.45	2.60	3.65	2.90
Moneta	1	...	...	9	8¾	8¾	9000	18	11	14	8¾
Montreal Rouyn	1	...	...	..	..	..	....	60	13	33	10
Newray	1	...	...	28	28	28	300	45	31	33	28
Night Hawk	1	...	...	10½	6	9	151850	17	3¼	8½	4½
Nipissing	5	12	7.45	8.25	7.77	8.05	6515	9.25	4.95	10.30	7.20
Noranda	none	...	...	21.75	20.65	21.08	14931	24.75	12.00	21.75	19.95
North Amer. Lead	.	...	...	2.18	2.10	2.09	44245	..	..	2.18	1.71
Ophir	1	...	...	..	..	..	....	4	½	4⅝	1¾
Osisko L.	.	...	...	.41	.40	.40	4800	1.94	1.05	1.75	.40
Pioneer	1	...	...	1.05	1.02	1.01	17000	1.22	.66	1.18	1.01
P. L. Cobalt	1	...	...	7	6	6½	18500	32	14½	18	6
Porc. Crown	1	...	...	9	6	8	109200	12	4	11	6
Potter Doal	.	...	...	44	39	40	51700	..	..	65	32
Power & Mines	.	...	...	1.46	1.38	1.38	16250	..	..	1.41	1.00
Premier Gold	1	32	14.88	2.16	2.10	2.15	11400	2.75	1.83	2.30	1.86
Preston	1	...	...	3¼	3¼	3¼	1500	9⅞	4	6	3
Quebec Prov.	.	...	...	..	..	..	....	..	..	6.00	3.95
Ribago	.	...	...	24	21½	22	22200	..	..	87	21½
Rouyn	1	...	..	2	2	2	5200	9	1⅞	5	2
Rouyn, Que.	1	...	...	..	..	..	....	4½	1¼	4⅝	1½
Siscoe	.	...	...	16	16	16	500	..	..	20	12
South Keora	1	...	...	12	12	12	4200	35½	5	64½	10
Stadacona	1	...	...	27	16½	25	22850	51	40	55	13
St. Anthony	.	...	...	32	30	31	10290	..	..	32	16
Sylvanite	1	...	...	4.15	4.00	4.00	1600	..	..	4.30	2.60
Teck Hughes	1	10	1.40	7.10	6.90	7.10	89711	5.55	2.64	7.10	5.37
Timiskaming	1	...	...	5½	5½	5½	1000	15¾	6	7	5
Thomp. Krist.	1	...	...	..	..	..	....	3½	1	1	½
Tough Oakes	1	...	...	55	48	54	36500	66	36	62½	39
Towagamac	.	...	...	3.75	3.30	3.45	2762	6.10	3.15	5.75	2.85
Do., Rights	.	...	...	..	..	..	....	..	..	19	1
United A.	.	...	...	..	..	..	....	..	..	35	35
Vac Gas	1	...	...	14	13	14	5000	..	..	26	3
Vickers	1	...	...	40	40	40	600	1.22	.13	1.46	.35
Victory Silver	1	...	...	8½	7½	8	23500	10½	3	14	4½
Vipond	1	...	...	1.46	1.40	1.40	16237	2.02	1.49	1.75	1.25
Waite Mont.	.	...	...	..	..	..	....	..	..	8.75	7.50
Wakenda	1	...	...	3	3	3	3500	2¾	1	5	2
Wasapika	1	...	...	1¼	1¼	1¼	3000	4	1	2	1
West Tree	1	...	...	3¼	3¼	3¼	1000	4	2	4	3
Wettlaufer	1	...	...	3	3	3	1000	10	2	3	2
Wright Harg.	1	37½	3.35	11.20	10.65	11.14	14880	10	7.75	11.20	9.35
Wigwam	.	...	...	..	..	..	....	..	..	4	3⅜

COPPER HILL MINES IS NOW FINANCING

Vigorous Development Work Begun at Montbray and Dufresnoy Properties

From Our Own Correspondent.

MONTREAL.—Both engineers of Copper Hill Mines are on the properties superintending the development work. Julius M. Cohen, M.E., is in charge of the work on the Dufresnoy property where the company holds 400 acres adjoining the properties of the Clericy and the Harvie Archean companies.

Work is now commencing on the Montbray property under the direction of J. F. Davies, M.E., who until recently was in charge of the Huronian Belt Company's field operations in the province of Quebec. The Montbray holdings consist of 480 acres which are completely surrounded by, and lie next to the properties of Nipissing, Consolidated "Smelters," Porcupine Goldfields, Towagmac and Coniagas.

The Montreal Mining Exchange house of Walton and Company has underwritten a block of 1,000,000 shares of the company. The total authorized capitalization consists of 3,000,000 shares of $1 par value of which 1,000,000 shares were given in payment for the present holdings of the Copper Hill Mines. This block has been placed in escrow for a period of one and a half years and cannot be sold till the expiration of that period.

The Remaining Shares

The remaining 2,000,000 shares have been deposited with a trust company to be sold for the benefit of the treasury. Of these, 1,000,000 shares are now being offered the public.

The shares have been listed on the Montreal Mining Exchange. Current quotations range around 50c. a share. On the Dufresnoy property diamond drilling has already verified below ground the satisfactory indications obtained from surface work. Diamond drillling will be continued on this property.

On the Montbray property good results have been obtained from the preliminary surface work and diamond drilling will begin immediately.

The proceeds of the present financing will be used entirely to prosecute vigorously the development work which has been planned.

Stadacona Makes Another Discovery; Order Second Drill

Official confirmation of a valuable discovery on Block 16 of Stadacona Rouyn Mines, Ltd., in Dufresnoy township, was given at the head office of the company in Montreal. This follows close on the confirmation of a discovery on Block 8, which lies just south of the Horne. Block 16 is directly east of Waite-Montgomery.

J. P. Norrie, field engineer of the Stadacona, reported that he made a most interesting find on Block 16 and that there are indications of a valuable ore body.

A diamond drill outfit was ordered for Block 8 less than ten days ago and now the order has been duplicated, the second outfit to go on Block 16. Every effort will be put forth to ascertain the extent and depth of the ore body.

The recent discovery on Block 8 was in the vicinity of the Horne diabase dike and followed close on the receipt of the electrical survey results.

Though Mr. Norrie has given no figures in his report of the new find, unofficial reports place the width of the ore body at from five to fifteen feet and the values averaging $20 per ton. The length was placed at 1000 feet.

Open Branch at Mistassini

A branch of the Imperial Bank of Canada has been opened at Mistassini, in Northern Quebec. This village is located on the Mistassini River, north of Lake St. John and will be the site of the Lake St. John Pulp & Paper Company's mill. The railroad extension to connect with Mistassini is now under construction.

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Duprat Drilling Means Much to Area West Of Waite-Montgomery

Word has been received from the superintendent of Duprat Mines that the second drill hole is in another mineralized area but full details as to the length of the body it went through are not yet available. The fact, however, that the second drill hole has intercepted ore already is looked upon as encouraging and the results are being watched closely, as anything high-grade cut at this particular time would give Duprat an impetus that would mean much not only to the company but to that section of the Rouyn camp as well. The early spring this year means added time for development work and with the big treasury that Duprat has and the development work planned on the properties in Duprat Tp., as well as Montbray, makes the operation rank high in importance.

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H. Rempel, 216-331 Bay St., Toronto.
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Authorized Capital $3,000,000 consisting of 3,000,000 shares of non-assessable stock of the par value of $1.00 per share.
Properties—
24 Patented Mining Claims 960 acres in the District of Patricia near Woman Lake and close to the Jackson-Manion and adjoining the Tripp-Gutcher property.
Those that know the property claim it to be one of the best prospects in the Woman Lake District.
We advise an early purchase of this stock as only a limited number of shares are for sale. Correspondence and interviews are invited.
Address all communications to the
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331 Bay Street - - Toronto, Ontario

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Bourlamaque Syndicate
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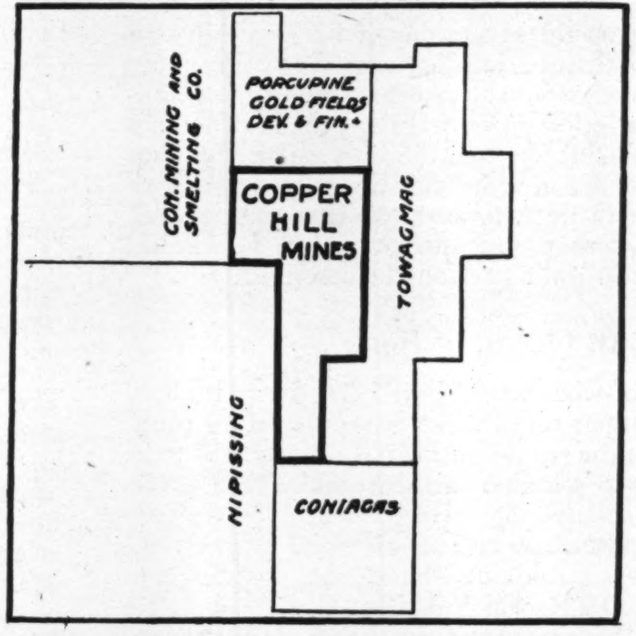
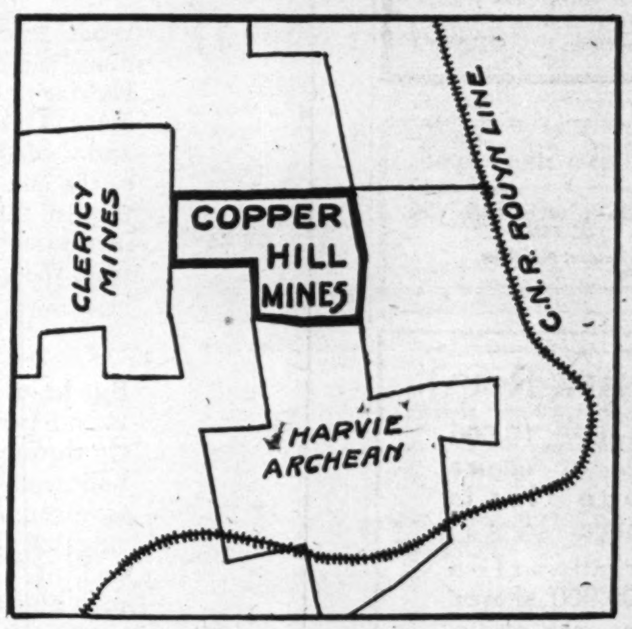
Copper Hill Mines, Limited
(No Personal Liability)
Shares, $1. Par Value Capital, $3,000,000.
All vendors' shares are held by the Trust Company in pool for eighteen months, assuring purchasers that there will be no interference with shares now being sold for development.
PROPERTIES

Montbray Township, P.Q.


CON. MINING AND SMELTING CO.
PORCUPINE GOLD FIELDS DEV. & FIN.
COPPER HILL MINES
TOWAGMAC
NIPISSING
CONIAGAS

Dufresnoy Township, P.Q.



Engineers of repute express the unanimous opinion that Copper Hill Mines, Limited, has every possibility of quickly developing a mine on the Company's property in Dufresnoy Township, which is now being actively developed.

Work on the Montbray property will also be started at once, where it adjoins the properties now being developed by some of the most successful mining interests operating in the world.

The Dufresnoy Property is one mile from the new Rouyn Railway, which eliminates all transportation problems. The geology is considered ideal for ore deposition. The main showing is in the centre of the property and a total length of three thousand feet could be developed before running off the property. Owing to the nature of the ore, it should obtain a preferential rate at the Smelter, which is about 12 miles away on the same railroad.

Channel samples taken over a width of 17 feet on surface show values of $11.00 per ton, and grab samples were taken indicating 11% copper, $1.60 gold and 80c in silver.

The following are excerpts from a report by J. F. B. Davies, M.E.:

"The general geology of the Dufresnoy Property of the Copper Hill Mines, Limited, is similar to that found on the Noranda, Waite-Montgomery, Towagamac, Amulet and Nipissing Mines. The large granite intrusion which extends through Clericy Township is exposed about one mile southwest of the Dufresnoy Property, and it is near this granite mass that the Harvie Archean Mines are located.

The trenches and geological features prove that the formation at the main showing extends over several hundred feet. The main showing is chalcopyrite, zinc blende in quartz and silicified rock, about 75 feet from the porphyry contact.

Under the main showing 50 feet of mineralized rock is shown in the diamond drill core and 20 feet is sufficiently mineralized with chalcopyrite to prove the existence of copper ore over that width beneath the surface."

Julius Cohen, M.E., in his report on the Dufresnoy Property says, in part:

"The geology is correct for ore deposition, and the surface showings and drillings done so far indicate large bodies of copper-bearing ore which is highly silicious and therefore desirable for smelting operations. In my opinion you have a highly desirable property that gives every promise of becoming a profitable mine."

Diamond drilling is now proceeding on the Dufresnoy Property and has proven that good ore has been found at depth. This is, therefore, not just a surface splash, but a property that promises to develop into a producing mine in the very near future. Within a month a complete mining plant is expected to be on the ground, and a shaft will be sunk to a depth of 200 feet or more and the usual underground work carried on.

As all the shares of the Company, with the exception of the present offering, are held by the Trust Company in pool for one and one-half (1½) years, the market for shares now being sold for development purposes cannot be interfered with.

A glance at the map shows the properties of the Copper Hill Mines, Limited, and some of its immediate neighbors whose recognition is international and some of whose shares, based upon development in this area, have reached sensational market prices.

COPPER HILL MINES, LIMITED, is a listed, negotiable security traded in now actively on the MONTREAL MINING EXCHANGE. The present market price is most attractive and we urge its immediate purchase. Success from the present mining operations indicate early and extensive profits.

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RICE'S FAMOUS GEM MINE BRINGS HIM FOUL OF THE LAW

Notorious Promoter is Now Charged With Rigging Market in Columbia Emerald Corpn.

George Graham Rice, who with his free market sheet, The Iconoclast, New York, has attempted to relieve many Canadians of hard earned dollars by selling them stock of questionable value, is getting a hard ride from the attorney-general of New York. The latest move is to stop sales of Columbia Emerald Development Corporation. Included with Rice as defendants are his brother-in-law, Frank Silva, Ex-Judge Nash, Rockwood, Frederick Lewisohn, and Edward J. MacNamara.

The Attorney-General charges that defendants gave an option to Rice for 500,000 shares, of which 400,000 were the personal property of the Lewisohn interests, at 75 cents a share, but only $100,000 was to be paid into the treasury. He charges that "pursuant to this conspiracy to defraud," the defendants caused the stock of the Columbia Emerald Corp. to be listed on the Boston Curb, and boosted it by "fictitious or 'wash' sales" up to $17 a share in September, 1926. Yet on Feb. 16, 1926, the only assets of the corporation were the mines "appraised at a fictitious value of $250,000," "a spoonful of stones of an inferior quality and unsalable, with the exception of two emeralds," and $60,000 cash, against which was a debt of $51,000 due to one of the defendants, Frederick Lewisohn, from the corporation. The complaint further alleges that the statements used in Rice's paper, the Iconoclast, to boost the stock were false and fraudulent, as, for example, "That a Lewisohn syndicate has been formed for controlling the world's emerald market" and that said mines "will produce $100,000,000 of gems." It is alleged by the Attorney-General that 235,000 shares were sold to the public at various prices, some as high as $17 a share.

Rice has a goodly supply of legal counsel, including former United States Attorney Henry A. Wise, notably successful as a prosecutor of stock frauds when United States Attorney in the Southern District of New York; Hon. Louis Marshall, America's foremost constitutional lawyer; Hon. Charles S. Whitman, former Governor of New York; and former Judge Nash, Rockwood.

It is interesting that Wise as District Attorney brought and conducted in 1911 a suit against Rice for alleged illegal stock selling, which resulted in his conviction and sentence to a year's imprisonment. This case was in connection with the charge of using the mails to defraud in promoting the sale of shares of the Ely Central Copper, and running a bucket shop.

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No Recent News to Cause Rise in Price of Kirkland Gold Stock

It is understood that J. B. Tyrrell, managing director of Kirkland Lake Gold Mines, is now at Kirkland Lake making some inquiries in regard to rumors that have been about in regard to the company.

Interests closely associated with the company state that there has been no news for some weeks past that would justify any move in the shares of the company and yet the stock has moved up quite rapidly to around $1.25. This puts a valuation on the 4,000,000 common shares of $5,000,000 and with the preferred valued at $1,000,000 plus the $100,000 premium that must be paid when they are redeemed, it places a total valuation of $6,100,000 on the operation.

A New Prospector's Map

A geological map that will be greatly welcomed by the prospectors is one just published by the Geological Survey known as the Nottaway Sheet. It shows on a scale of eight miles to one inch that part of Quebec extending from the Quebec-Ontario boundary on the west to beyond Chibougamau Lake on the east, and from the vicinity of the Canadian National Transcontinental Railway on the south to beyond Rupert River on the north. The large areas underlaid by rocks of Keewatin age are shown. These are the early pre-Cambrian formations which experience has proved to be favorable to the occurrence of economic minerals. Copies of the map may be had on application to the Director, Geological Survey, Ottawa.

VICKERS HAS THREE DEALS UNDER WAY

Company Calls Annual Meeting to be Held on April 28

Vickers Porcupine Mine has called an annual meeting for April 28, as a result of the demand for the Standard Stock Exchange that a meeting be held. South Keora held a meeting this week. Some information in regard to the affairs of Vickers are given in a bulletin which accompanies the announcement of the meeting to the shareholders.

It is announced that J. P. Langley and Company of Toronto, have been appointed to examine the accounts and books of the company and to make a report and financial statement for presentation to shareholders at the forthcoming meeting and for mailing the shareholders previous to the meeting. At this meeting it is stated will also be submitted a complete report of the company's consulting engineer, Charles Spearman, showing the progress of work on No. 1 property in Rouyn. This report will show the work done, results obtained and assays. Buildings have been erected and diamond drilling to locate at depth known gold-copper veins appearing on the surface is proceeding rapidly.

Negotiations, it is stated, are now being carried on with a successful United States mining company which if concluded will be of great benefit to Vickers. Directors have under consideration the acquisition of the McCarthy, Webb, Goudreau Mines, Goudreau, Algoma. The bulletin also says that negotiations are under consideration to acquire a large block of the stock of Abana Mines, Limited, who own a copper-gold mine in Quebec.

Would Hurry Along Trial of Kemerer's Suspension Action

Morgan U. Kemerer's injunction against Standard Stock and Mining Exchange's suspension order has been made permanent by the courts until the issue can be tried. This is to be speeded up. The court laid down a number of rulings relating to the expediting of the action and also that in the event that the suspension order is upheld that the suspension period shall then become operative. Also that meanwhile Kemerer must refrain from the acts of which complaint is made.

EXPAND GYPSUM OPERATIONS IN N.S.

New Operations Likely as Soon as Shipping Facilities Are Ready

SYDNEY.—Material expansion of the gypsum industry at Iona and vicinity is expected to follow construction of a $28,000 pier and breakwater provided for in federal estimates. One company will refine the mineral on the spot, while another will ship raw gypsum to New England where there is considerable demand for it.

S. A. Stephens, of the Dominion Cement Co., Montreal, has been at Antigonish for some time looking over a gypsum property at Antigonish Harbor. Work there will be started this summer, but the deal will depend upon the completion of federal dredging operations commenced two years ago.

Cape Breton has huge deposits of this material and there has been marked activity in gypsum mining for several years past, with a growing market in the Eastern States for the output, either raw or refined.

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THE BOND OF MINERALS

HARVIE, SMITH & COMPANY LIMITED
UNITED STATES
THE PRE-CAMBRIAN SHIELD

IT WAS nearly fifty years ago that Henry Labouchere, M.P., the famous editor of London "Truth," wrote a masterpiece of pessimism as to the future of Canada in general and British Columbia in particular. The occasion was the first flotation of Canadian Pacific Railway bonds on the New York market. In this article the western prairies, now yielding their millions of bushels of golden grain for which the world is glad to pay a premium, were described as "a death-dealing region." To this Mr. Labouchere, in describing the land through which the C.P.R. was to run, added the following:

"The Canadian Pacific Railway will run, if it is ever finished, through a country frostbound for seven or eight months of the year, and will connect with the western part of the Dominion, a section which embraces about as forbidding a country as any on the face of the earth. Fifty railways would not galvanize it into prosperity."

What Labouchere would say to-day if he were alive to make the trans-continental journey over the C.P.R. from Halifax to Vancouver, would be rather interesting to Canadians. Of course, a legion of journalists, British, American and Canadian have since written the story. Their findings of the last 25 years are in somewhat violent contrast with those of their journalistic predecessor who had so little faith in the railway that spans the earth and gets its vitality from the very death-dealing regions he described.

An Ocean of Rock

But let us think of what would have been the attitude of Labouchere and others could they have surveyed the country through which the trans-continental railway was to be built from Quebec to Winnipeg, and into which the Ontario Government so "ill-advisedly" (to hark back to the censures of the period) thrust a railway of its own. If the C. P. R.'s route was forbidding what of that vast ocean of rock above the C. P. R. which divided Canada in twain geographically and appeared to sever the people in national spirit and common purpose? Here were 1,500 miles of bleakness and blackness, along which there was not an industry, rarely a farm, never more than a struggling trappers' or lumberman's village, and probably not more than 2,000 white men.

This was the "white man's burden" in a new form—an unproductive region carried by the east and west like an old man of the sea. What could solve the problem? Not railways alone, unless those rocks could be made to bear, unless the waterfalls could be harnessed, unless the forests could be harvested before fire swept them away.

What could supply the missing span in the national bridge that was to bring the east and west together. The answer came in the discovery and development of minerals, of nickel, silver, gold, copper, lead and zinc, in the harnessing of water power and in the harvesting of our forest wealth. Out of this "barren" stretch of land, comprising an enormous portion of Canada, now pours a stream of riches. And to-day, to confound the doleful prophesies of 50 years ago, we read that through the activity and prosperity along, above and below the transcontinental section of the railway, in mining, in agriculture, in the manufacture of forest products, the road itself reflects the prosperity of the country by paying 97 cents of every dollar of cost—whereas a few years ago the revenue of this section was practically nil.

The T.N.O. railway, owned and operated by the Province of Ontario, recently paid to the provincial government its second payment of one million dollars. Owing to development of natural resources which followed the discovery of gold and silver, this railway is fast becoming a valuable revenue-producing asset.

The New Northland

Over this provincial railway is shipped the gold and silver bullion from the Northern mines; great paper trains thunder down to the south each night from the model pulp and paper towns set down near limitless forest tracts; even now a chain of new cities is being reared across the North—mining, water power, pulp and paper cities—and a flood of supplies from Canadian factories spreads through Canada's industrial sections.

The great gulf has been bridged. And three central provinces are joined by the bond of minerals. Mining effort knows no boundaries; Ontario prospectors are in Quebec, as are the operating companies. Manitoba investors are interested in the Quebec and Ontario fields and the operating and financial interests are interprovincial. There is a common purpose behind a common heritage. It has been our privilege to interpret in some measure the meaning of Northern development, and under the supervision of Dr. Harvie we have prepared a series of booklets written by leading authorities on mining. Dr. Robert Harvie has had many years of experience in the Pre-Cambrian formation, with the Quebec Bureau of Mines, the Dominion Geological Survey and later as head of his own companies. This series will constitute an educational course in mining in the Canadian North from the geological survey to the ultimate investment.

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ONTARIO OUTPUT OF MINERALS WAS LOWER LAST YEAR

Preliminary Figures of Department cf Mines Show Decline

Ontario's mineral production in 1926 was valued at $84,386,718, or $3,200,000 below 1925. Metallics and non-metallics and structural minerals showed a decline, partly offset by an increase in the output of clay products. Preliminary figures have been issued by Ontario Department of Mines, as prepared by W. R. Rogers and A. C. Young.

The figures:

	1925	1926
Metallic	$62,495,472	$59,191,203
Non-Metallic ...	7,488,034	8,472,811
Structural	12,451,174	11,634,448
Clay Products..	5,148,626	5,088,256
Total	$87,583,306	$84,386,718

Gold, silver, copper and nickel matte, nickel oxide, cobalt and platinum were down in the metallics. Gypsum and salt in non-metallics, while increases in these classes were small.

During the year the new gold producers appearing in the Porcupine field, township of Deloro, were the Paymaster, Ankerite, and March, although the latter shipped only the recoveries from a trial run during the last month of the year. The Night Hawk Peninsular mine closed down May 31. The Kirkland Lake gold mine reappeared as a producer during October, after having been closed down since May 15, 1924. At the end of 1926 there were fifteen producing gold mines in Ontario, of which eight were in Porcupine and seven at Kirkland Lake and vicinity. Three small properties in other areas produced gold during the year.

The important occurrences at Porcupine include the announcement of a change made at the Hollinger in regard to mining methods below the 2,000-foot horizon, where back slashing and filling of stopes with sand was commenced. The company purchased seven sand claims for this purpose and erected an aerial tram to handle the sand. Towards the end of the year, three new rod mills were delivered, making a total of eight, each of 1,000 tons capacity, in addition to a ball mill now operating. It is expected these three mills will be in operation in 1927, bringing the grinding capacity to well over 8,000 tons per day and making the Hollinger the largest gold mine in the world.

McIntyre Looks Well

At the McIntyre, the new 4,150-foot shaft (the deepest working in Ontario) is nearing completion, new hoists have arrived, and the electric equipment is being delivered. New discoveries of ore at depth were reported in ground not heretofore prospected. The connecting of the new shaft to the old workings by long drifts which will follow the general course of known ore deposits will add greatly to the ore reserves. The McIntyre management has announced a change from "shrinkage" stoping to the "cut and fill" method as standard practice on the new levels.

In the Kirkland Lake area, the tonnage of the Teck-Hughes was more than doubled by the addition of a new unit to their 250-ton mill in 1927. The Kirkland Lake mill again commenced to produce, handling from 125 to 150 tons per day. The 450-ton mill of the Wright-Hargreaves is expected to be increased to 600 or 700 tons in 1927. The Lake Shore is now milling around 700 tons per day, at the same time carrying their shaft to 1,500 feet. The deepest workings in Kirkland Lake are around 2,000 feet where the ores have been found to be as high grade if not better than on the upper levels.

Very Rich Ore

For example, in sinking the main shaft at the Teck-Hughes ore of $29 grade was found across 16 feet at the sixteenth level. At the Sylvanite mine, which lies between the Wright-Hargreaves and the Tough-Oakes Burnside, a new 200-ton mill is being erected and should be in operation by next summer. Considerable development work was also carried on throughout the year in the township of Lebel south of Gull Lake, also at the Macassa at the west end of the productive zone.

As regards gold mining in northwestern Ontario, the Minto and Grace mines are being opened up in the Michipicoten area with good prospects of success. Other gold properties under development include the Foley at Mine Centre; Huronian, west of Fort William in Moss township; and the Harkness-Hays at Schreiber.

The production of nickel and copper in 1926 was less than in 1925 for reasons that are well set out in the annual report of the International Nickel Company.

Net earnings of the company were $5,556,267 for the year, or an increase of $28,783 over 1925.

Lead and Zinc

The interest manifested in the lead deposits of Ontario during 1924 and 1925 and mentioned in the reports of those years, was continued in 1926, when considerable prospecting and development work was carried on at various points throughout the province. Of the well known lead properties in eastern Ontario, the Frontenac mine near Perth Road in Frontenac county, was under development by the Forbes Galena Mines, Limited; the Hollandia at Bannockburn in Hastings county also received some attention, while the Summerville Lead Mines, Limited, opened up a property in Victoria county. There was also some activity on lead prospects in the Ottawa valley. In recently discovered areas, however, more important developments have been made. Near Chelmsford, about fifteen miles west of Sudbury, the Bunker Hill and Sullivan Mining Company continued their campaign of diamond-drilling on a zone about four miles in length which roughly follows the boundary between Balfour and Creighton townships. The ore consists of copper, lead and zinc in about equal proportions. The Parker-Doal find in Munro was also important.

The output of lead from all sources in 1926 amounted to 7,398,796 pounds, having a value of $580,730, as compared with 7,268,193 pounds worth $601,704 in 1925. The production from Ontario has been constantly increasing during the past five years. The principal producer, as formerly, was the Kingdon Mining, Smelting and Manufacturing Company from their lead mine and smelter near Galetta on the Ottawa river. The sales by this company during the period were 7,346,180 pounds, while the remainder of the output was contained in base bullion derived from the smelting of silver-cobalt ores at Deloro, and also includes 30,950 pounds produced in 1918 from Bedford township and not heretofore accounted for in the mineral production of the province.

Summary Ontario's Mineral Production 1925-6

Product (Tons of 2,000 lbs.)		1925 (Final) Quantity	1925 (Final) Value $	1926 (Preliminary) Quantity	1926 (Preliminary) Value $
Metallic					
Gold	oz.	1,461,039	30,206,432	1,497,216	30,949,689
Silver	oz.	10,001,100	6,964,325	9,385,008	5,768,823
Copper in matte (a)	tons	10,039	2,007,734	23,191,641	2,319,164
Nickel in matte (a)	tons	16,325	5,876,927	34,028,211	6,125,078
Copper, blister and electrolytic..	lb.	19,582,513	2,730,698	18,121,227	2,509,800
Nickel, metallic and in speiss....	lb.	32,114,564	7,344,585	25,627,602	6,423,401
Nickel oxide and salts	lb.	11,774,209	2,725,161	7,714,429	1,825,684
Platinum metals	oz.	16,980	1,676,446	19,495	1,559,262
Bismuth	lb.	19,667	18,566	6,440	12,880
Copper sulphate	lb.	13,834	692	....	....
Cobalt, metallic and in residues,	lb.	625,298	2,328,517	1,248,713	1,116,692
Cobalt oxide	lb.	575,580		225,684	
Cobalt salts and mixed oxides,	lb.	265,384		275,749	
Lead, pig, and in ore exported..	lb.	7,268,193	601,704	7,398,796	580,730
Zinc in concentrates	lb.	179,545	13,685	....	....
Total		....	62,495,472	....	59,191,203
Non-Metallic					
Abrasives	tons	105	945	64	576
Actinolite	tons	40	500	80	1,000
Arsenic	lb.	2,156,441	113,325	4,055,477	135,549
Asbestos	tons	2	901	....	....
Feldspar, crude and ground ...	tons	17,404	141,059	21,632	181,224
Fluorspar	tons	12	200	....	....
Graphite, crude and refined ...	tons	2,345	134,213	2,266	158,994
Gypsum	tons	82,020	941,833	89,987	496,059
Iron pyrites	tons	685	8,799	371	4,912
Mica	tons	1,605	82,661	....	....
Mineral water	Imp. gals.	183,012	25,452	208,400	28,247
Natural gas	M. cu. ft.	7,257,274	4,083,341	7,364,039	5,068,911
Peat	tons	1,370	8,394	....	....
Petroleum, crude	bbls.	144,250	396,154	136,971	376,822
Quartz and silica brick	tons	188,064	359,691	196,508	393,773
Salt	tons	226,470	1,466,450	252,345	1,388,672
Talc and soapstone	tons	13,678	174,116	14,882	178,986
Total		....	7,488,034	....	8,472,811
Structural Materials					
Cement, Portland	bbls.	3,462,358	5,253,911	3,398,860	4,792,857
Lime, hydrated	tons	41,610	477,585	39,217	457,979
Lime, quicklime	bush.	5,115,882	1,566,540	5,390,134	1,311,103
Sand and gravel	tons	3,913,292	1,658,700	4,198,496	1,366,482
Sand-lime brick	M.	66,392	677,103	45,845	463,861
Stone, build'g, trap, granite, etc.	tons	3,023,594	2,817,335	3,626,210	3,242,166
Total		....	12,451,174	....	11,634,448
Clay Products					
Brick, face	M	125,470	2,403,832	120,113	2,374,543
Brick, common	M	48,028	733,693	43,921	670,894
Brick, fancy and ornamental.....	M	425	21,728	1,009	37,855
Brick, sewer	M	2,125	37,082	6,397	111,620
Tile, drain	M	13,496	360,710	10,877	297,976
Tile, structural		....	612,138	....	671,818
Sewer pipe, copings, flue-linings, etc		....	893,443	....	835,206
Pottery	M	6,200	86,000	5,910	88,344
Total		....	5,148,626	....	5,088,256
Grand total		....	87,583,306	....	84,386,718

(a) Copper and nickel exports in the form of matte were valued, respectively, at 10 and 18 cents per pound in 1925 and 1926.

CAN. CEMENT ENTERS N.S. GYPSUM FIELD

Have Secured Number of Claims and Will Install Plant

Canada Cement Co. have secured a number of claims in the extensive gypsum area around Antigonish No. 5, it is said that the company will operate the area on the north side of Antigonish Harbor. The building of a shipping pier, a standard gauge railway and a crushing plant will likely be undertaken this year.

Although it is the company's intention to install its plant this year, it is doubtful if shipments of gypsum will actually be made before 1928. A large government dredge has been operating at the mouth of the harbor and in the harbor during the last two years. There is considerable of this work still to be done. At present the channel is dredged to within 900 feet of the Town Point. When the dredging is finished it is expected that steamships as large as 10,000 tons will be engaged in exporting the gypsum.

F. N. Fyles, geologist of the company, is authority for the statement that it would take over one hundred years to deplete the gypsum in the company's area on the north side of Antigonish Harbor, if thirty thousand tons a week were shipped. Thirty thousand tons will be the capacity weekly shipments.

S. KEORA MEETING MARKED BY LACK OF FIREWORKS

(Continued from page 17)

reply. "Instead, they went at it in an autocratic way. Out of a blue sky they tell us that we shall be shot at sunrise."

No More Against Exchange

The solicitor in introducing the matter of the exchange, said that there was not a fact in regard to the company that was not available for the exchange. There was not a thing about the company's affairs that would justify the action taken without the closest scrutiny. He said that the directors had made no move against the exchange. They thought that before they did so, they should hold an annual meeting. There was information in their possession that they were not at liberty to reveal, but it would be considered later by the directors. They would watch to see what action the exchange would take next.

Some interesting opinions were offered by some of the shareholders in regard to the action of the exchange One wanted to know why there has been no move in regard to Consolidated West Dome on which there was a big over-issue of shares. He wondered if perhaps there was not sufficient stock out on South Keora and that some of the brokers were short.

The annual report of the company was presented in detail, the directors having itemized all expenditures for the past six years. The statement shows that there is $17,405 in the bank and that there were 416,921 shares in the treasury.

Granada Rouyn Mines Appoints New Engineer

MONTREAL.—W. J. Hocking, who has been engineer of the Tough-Oakes-Burnside, has resigned to accept the post of engineer for the Granada-Rouyn Mining Company. He will take charge of the Granada workings on the old Bathurst claims in the course of the next few days.

The geology of the Granada workings is very similar to that of Kirkland Lake, and mining men are congratulating the Granada officials on securing a man of Mr. Hocking's experience to take charge of their work.

LAVAL OPERATIONS COVERED IN REPORT

Company is Recommended to Make Further Electrical Surveys in Spring

Laval Quebec annual report covering the period Feb. 1, the date of inception to Dec. 31, 1926, shows that the company carried out an aggressive exploration of its large holdings during the period. Laval has eight groups. Groups A, B, C and D in Rouyn township total 1,213 acres; groups E and M in Boischatel comprise 622 acres; group G in Duprat 685 acres, and group O in Montbray 1,194 acres.

Development costs during the period amounted to $43,398, while head office disbursements were $21,257 and capital expenditure (buildings, plant and equipment) $15,513.

In his general remarks A. J. Flood, manager, says:

"From the results of the geologic survey combined with the magnetometric survey along with such information as could be gained from the different properties where ore has been definitely located from it, it was considered that your properties contained outstanding possibilities for ore depositions to take place. It must be considered that with the acreage over-burdened by water and the remainder which is over-burdened to the extent of about 85 per cent. by clay, boulders and gravel, that an extra effort had to be made to locate bed rock where possible. A system of sounding was therefore used, and when rock was located within a reasonable distance, and in a favorable area, trenching was done.

"A total of 37.25 miles of co-ordinate lines were surveyed and cut at 400-foot intervals to facilitate the geologic survey and prospecting. A total of 8,328 feet of stripping, trenching and blasting was done. The trenching averaged to 10 feet in depth, and in some cases, where warranted, was carried as deep as 24 feet.

An electric survey is recommended on various properties this spring.

The balance sheet shows cash amounting to $140,214, and current assets of $145,286. Mining lands are placed at $5,095,694, and total assets $5,323,347. Current liabilities are shown at $3,247, working capital at $320,100, and stock authorized and issued $5,323,347.

Continue Osisko Drilling

Osisko Lake Mines has completed the crib work of its platform for continued drilling through the lake when the ice goes out. It is intended to continue drilling to a depth of about 2,500 feet in the present hole, upwards of half the distance having already been drilled. At such time as this deep hole can be completed, it is also intended to put down additional holes at other points to varying depths. Interested parties express confidence in being able to locate continuation of the zone of mineralization from the adjoining Horne claim of Noranda. Incidentally, the drilling which is proving favorable geological conditions at depth on Osisko is a favorable factor for Noranda.

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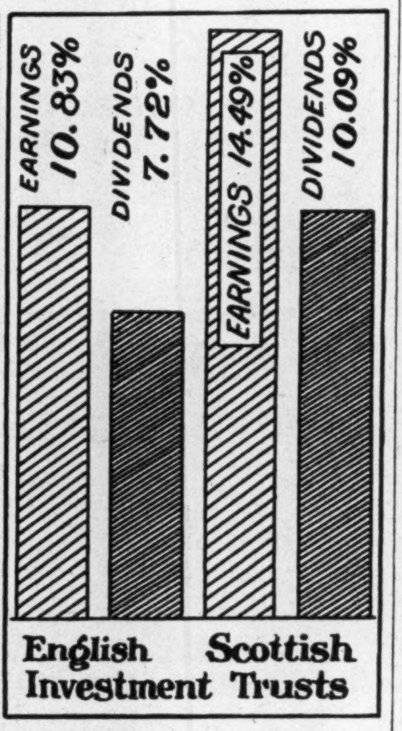
Records of Investment Trusts Show Big Bonuses Are Paid

Twelfth Article of a Series on Investment Trusts and Their Place in Canada

By MACKENZIE WILLIAMS, of A. E. Ames & Co., Toronto. Copyright, 1927.



We have discussed the dividend records of British investment trusts, and compared the results attained by the English companies with the results attained by the Scottish companies. It will be recalled that the Scottish companies as a whole provided the more favorable results for the holders of their ordinary or common stocks.

The English companies as a whole earned 10.83 per cent. on the common stock and paid out 7.72 per cent., whereas the Scottish companies earned 14.49 per cent. and paid out 10.09 per cent. The dividend records of both were eminently satisfactory, but, as we have seen in earlier articles, these dividends, fine as they have been, by no means tell the whole story.

Declare Frequent Bonuses

In connection with the British trusts, substantial reserves have generally been accumulated, which in turn make it possible for these companies not only to pay increasingly liberal dividends, but in addition to declare stock bonuses from time to time.

Some current examples of these bonuses will be brought out in this article.

After having compared the last year's earnings for the common stocks of English companies with the earnings of Scottish companies, and having reviewed the very satisfactory twelve-year record of dividends paid by the British investment trusts, it will be of decided interest to examine a few of the representative current reports now being presented at the annual meetings of shareholders, which are frequent at this period of the year.

It is usual for the chairmen, the managing directors, or other officials to address the meetings, and to present the results of the year, with the official interpretations of the results attained. It is particularly desirable to glance at a few of these reports, as, in addition to giving the latest or current results, they likewise give valuable sidelights on the practices and policies which have made such results possible.

MUNICIPAL TRUST

At the annual meeting of the Municipal Trust held in London, March 24th, Viscount St. Davids said in part:

"Our position a year ago, was that we paid 10 per cent. in cash and gave you a bonus of 10 per cent. in stock. Our earnings that year were nearly 14½ per cent. upon our deferred stock, and we foreshadowed even better earnings for the coming year. The position to-day is that we pay 10 per cent. cash dividend as before, but the dividend is on a bigger capital because of the stock bonus we gave last year. I may say that the directors propose in future to pay the dividend, not 4 per cent. and 6 per cent. as we have usually paid it, but 5 per cent. each half year. The position to-day is that we have earned 15½ per cent. on the larger amount of stock as against 14½ per cent. on the smaller amount a year ago. This is really equivalent to about 17 per cent. on the ordinary amount of deferred stock.

"Then you may be asking 'What are the expectations of another stock bonus?' I prefer not to prophesy. It is just possible that we might have it next year, as you see we have a substantial carry forward, but the margin for paying a stock bonus next year will not be a large one, and we can only hope that if we do not pay one next year, at any rate we may be able to put you in that happy position the following year."

MERCANTILE AND GENERAL

When discussing the annual meeting of the Mercantile Investment and General Trust, held on February 22nd, Sir Miles Mattinson said in part:

"In addressing you a year ago, I said that since the peace, the history of this company was an unbroken record of continuous and growing prosperity, and I ventured the opinion that we had not reached the limit of our prosperity. We to-day present you with accounts which show that our net revenue after meeting debenture interest and all expenses has grown in the year from £264,347 to £278,900, a net increase of £14,550. This further considerable augmentation of our profits enables the board to recommend an increased dividend of 1 per cent. on the ordinary stock, raising the dividend from 13 per cent. to 14 per cent.; to add out of revenue £50,000 to reserve, and to carry over to next year a sum in excess of the amount brought in.

"In extending your view back to the last year of the war, that is 1918, you will find that in the intervening nine years, the net revenue available for ordinary dividends has increased as much as £130,000. In consequence, we are this year paying the ordinary stockholders in dividends a net sum of £100,000 more than nine years ago, and we are adding £50,000 to reserves in place of £20,000. The capital of the company in 1918 was £6,000,000. It is the same to-day.

"In reminding you of these figures, I am not seeking for this company any greater credit than can be claimed by other large investment trusts. Several investment trust companies have shown increases of revenue over the same period relatively to their capital not very dissimilar to the figures I have given you. It is an interesting inquiry how these results have been obtained over a period of time which has been marked both at home and abroad by vicissitudes not favorable to greater commercial profits.

"I think several causes have contributed. I will first put the large cash transfers each year from revenues to reserves or applied to writing down securities or in addition to carry over. Under whatever head, all that is new money amounting in the last nine years to some £400,000 put back into the business and reinvested at the higher post-war rates, and swelling the revenues of the company .... So much for the past. As to our immediate future, with only three weeks of our new financial year gone, it is difficult to attempt any forecast. Our revenue may suffer in certain directions as a result of the industrial troubles from which trade in this country is now slowly recovering, but there are other sources of revenue which will offset those anticipated losses. Unless there are some new troubles not in sight at the moment developed, my expectation is that the handsome revenue of the present year will be fully maintained."

OMNIUM TRUST

Turning to the results of another old company, the Omnium Investment Trust Company, Limited, the fortieth annual meeting was held on January 21st, 1927. In addressing the meeting, the chairman referred to earnings, dividends and policies as follows:

"In speaking to you a year ago, I predicted that we were going to have a prosperous year, with increased benefits to our stockholders, and I hinted that the directors might either increase the cash dividend or give you a stock bonus, but I did not then venture to suggest that possibly we might do both. The results of the year were that while in 1925 we earned 12 per cent. on our deferred stock, last year we earned 14 per cent. and we propose to-day that we should raise the cash dividend from 8 per cent. to 10 per cent. and that we should give you a stock bonus of 10 per cent. in preferred stock. Then we propose a further bonus to the deferred shareholders by giving them the right to subscribe for 10 per cent. of their holdings in new deferred shares at par with a liability to take 20 per cent. at par in 4½ per cent. debenture stock . . . It is obvious that with our present income, which I feel hopeful is going to continue, we shall have a substantial surplus after paying that 10 per cent. and we shall propose that that surplus be accumulated and used from time to time in some form of extra benefits for our deferred shareholders."

SCOTTISH AMERICAN

At the fifty-fourth meeting of the Scottish American Investment Company, held on February 9th, 1927, in referring to the revenues, dividends and reserves, the chairman, A. W. Robertson Durham, said:

"The revenue account shows that the balance available for ordinary shares is £165,911. This admits of the payment of a fixed dividend of 10 per cent. on the 'B' ordinary shares, and a dividend of 20 per cent. on the 'A' ordinary shares. After carrying £25,000 to reserve fund, the revenue balance has been increased by £4,911 to £79,342.

"In 1925 the amount of 'A' ordinary share capital was £400,000 and we now propose to pay the same dividend of 20 per cent. on the £500,000 capital, which includes the £100,000 bond issue made in January, 1926. This is equivalent, therefore, to an increase in the dividend rate from 20 per cent. to 25 per cent.

"The gross income has increased in the last four years from £274,000 in 1923, to £296,000 in 1924, to £309,000 in 1925, and now stands at £330,000.

"The usual valuation of investments at 31st December last shows a large surplus value beyond the amount at which the investments appear in the balance sheet.

"You will notice that the capital reserve (usually an 'invisible' reserve) fund, which is deducted from the total book cost of the investments, has now reached the figure of £400,000, while the ordinary reserve fund stands at £625,000."

BRITISH ASSETS TRUST

The twenty-fifth annual meeting of British Assets Trust was held on March 2nd, 1927. At the meeting the chairman said that the outstanding feature of the year had been the issue of 50,000 shares of ordinary stock as a bonus to the shareholders in April, 1926, in spite of which the revenues were at a higher rate on the larger amount of stock outstanding at the end of the year. Notwithstanding the increase in 1926, it was announced that the directors proposed to issue a further 50,000 ordinary shares to the shareholders at £3 for each £1 share, which would again afford shareholders a handsome bonus (The market value of each share, on March 10th, was £5:15 to £6:5 per share). The chairman further said that the new ordinary shares would be entitled to the full current year's dividend and would rank in all respects equally with existing ordinary shares. No difficulty, he said, was anticipated in maintaining the dividend of 20 per cent. on the increased ordinary capital.

ALLIANCE TRUST

The Alliance Trust, at this year's meeting, announced an increase in their dividend rate from 24 per cent. to 25 per cent., and also that an offering of 75,000 shares of ordinary stock would be made to the shareholders at £2:10 per share, which is equal to a quotation of 250 for ordinary stock, the market value of which is around 560.

The examples above give some idea of the frequency with which stock bonuses figure in annual reports and in the operation of established investment trusts, and afford ample proof that the present dividends and the past dividend records do not of themselves tell the whole story regarding the measure of success attending the operation of investment trusts on conservative lines.

In looking back, it may be recalled that the English trusts had built up reserves which aggregated 43 per cent. of the amount of common or ordinary stock outstanding. A closer examination of the reserves of the twenty-three companies included in the list reveals the fact that thirteen of the English companies had reserves of 40 per cent. or over, five had reserves over 75 per cent., while four had reserves over 100 per cent.

Among the Scottish companies a similar examination showed that as a whole the Scottish companies had built up reserves to 86 per cent., and also showed that fifteen had reserves of 40 per cent. or over, nine had reserves over 75 per cent., three had reserves over 100 per cent., while one had reserves of over 200 per cent.—or 236 per cent. to be precise.

The satisfactory earning power enjoyed by the trusts, when considered with the highly satisfactory dividend records and the present position of the reserve accounts, makes it appear highly probable that stock bonuses also will continue to be an important feature to be enjoyed by the shareholders of the better managed companies.

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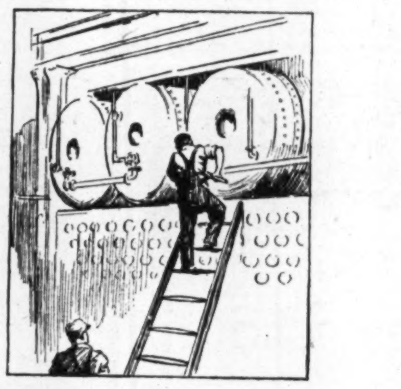

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DOMINION POWER INCREASES PROFIT AND LOWERS DEBT

Better Conditions Confront Hamilton and District Utility

Annual report of Dominion Power & Transmission Co. for the year ended December 31, 1926, shows a remarkable improvement over the previous year. Gross earnings are up to $3,219,911 from $3,120,509. This is the first year that there has been an increase in this item since 1923.

Net earnings for 1926 were $1,076,049, compared with $931,440 in 1925 and $820,597 in 1924. The surplus for 1926 is $654,221, compared with $500,663 the previous year.

Property account now stands at $24,781,780, which is an increase from $24,341,948. And whereas cash and victory bonds totaled only $16,667 at the end of 1925, these items are now more than $383,000.

Show Lower Funded Debt

Funded debt has been reduced from $8,158,000 to $7,876,000. There is now no bank debt, although that item stood at $199,639 at the end of 1925. The reserve for depreciation has been increased from $3,394,691 at the end of 1925 to $3,674,286 at the end of the last fiscal year.

Capital stock of the company has been increased over the previous year owing to the distribution of preferred shares among power consumers and patrons of the railway last November. More than 1,800 persons living in the area served by the company bought 8,434 shares. The greater number of subscriptions were for cash, although the company had facilities for selling on the partial-payment plan.

Add to Equipment

The annual report of the directors which accompanies the balance sheet and income account, notes other evidences of bettered conditions for the company serving Hamilton and the Niagara district. During the year $282,000 of bonds were redeemed. The proceeds of the sale of 9,929 shares of preferred stock (including the shares distributed in the customer-ownership campaign) were used for the purchase of new street cars and buses, the building of new car barns and the installation of a new underground transmission line in the central part of Hamilton.

It is also noted that new shops and barns will be built during the coming summer. An extra transmission line from the power house at Power Glen to Hamilton, which cost $100,000, is already in service.

Now Have Better Conditions

The outlook for this company was greatly improved last May when the ratepayers of Hamilton approved a by-law which enabled the street railway to operate on a sound basis. The company proceeded to build new cars, and to establish bus routes with a view more adequately to serve the public. A new spirit of goodwill toward the company has been engendered in the last several months and it is anticipated that, when the program of expansion and rehabilitation is complete, earnings from the street railway will show an operating profit. There still are some jitneys operating in the city but it is reported that these will be eliminated as soon as the remaining bus routes planned are operating.

The company's position in the merchandising of power for manufacturing and lighting always has been more satisfactory than its street and suburban railway operations, although the power company had to contend with competition of the publicly-owned hydro system. It is noteworthy that the company is gradually increasing its distribution of electric energy in the district. This increase in distribution is an evidence that the industrial activity of the city and district is growing.

Renew Grimsby Franchise

The company in 1926 also secured a renewal of its power franchise, which includes the street-light contract in the town of Grimsby.

Profit and Loss

	1926	1925	1924
Gross earn.	$3,219,910	$3,120,509	$3,132,438
Oper. exp.	2,143,861	2,189,069	2,311,841
Net earn.	1,076,049	931,440	820,597
Less—			
Interest	419,992	429,206	447,273
Bad debts	1,836	1,571	7,193
Depreciation	332,159	354,058	352,812
Net profits ...	322,062	146,605	13,319
Pref. div.	313,751	296,730	277,727
Com. div.	......	......	138,032
Surp. for year	8,311	*150,125	*402,440
Prev. surp.	528,848	678,973	1,081,413
P. & L. bal. ...	537,159	528,848	678,973

*Debit.

Public Utility Earnings

Duluth Superior Traction

Five months ending March 31

1926	1927	Increase
899,566	991,427	10.21%

Net returns for March are not yet available

Net four months ending Feb. 28

1926	1927	Increase
32,124	70,377	119.05%

Southern Canada Power

	March 1927	March 1926	Inc.
Gross earn.	$123,057	$116,968	$ 6,089
Oper. exp.	44,620	39,995	4,625
Net earnings	78,437	76,973	1,464
	6 months 1927	**6 months 1926**	**Inc.**
Gross earn.	$769,781	$705,620	$64,164
Oper. exp.	252,135	228,781	23,354
Net earnings	517,646	476,839	40,807

Niagara Falls Power

Quarter End: Mar. 31, 1927.

Operating revenue	$2,986,929
Operating expenses	940,396
Retirement expenses	254,733
Operating taxes	433,189
Total deduct. from opg. rev........	1,638,319
Net operating revenue	1,348,609
Non-operating revenue	28,468
Net income	1,377,078
Int. on funded debt	512,512
Miscellaneous	26,053
Total deduc. from net income	538,565
Surplus income	838,512

JAMAICA PUBLIC SERVICE REPORT SHOWS PROGRESS

Earnings, Working Capital and Plant Have All Been Enlarged

From Our Own Correspondent.

MONTREAL.—The annual report of the Jamaica Public Service Company for the 1926 fiscal year reveals the anticipated improvement in earning power and in the working capital posiiton which the monthly earnings record of the company has already indicated to the shareholders. The company's income figures and working capital position figures over the past three years compare as follows:

	1926	1925	1924
Total revenue	$652,104	$625,275	$579,055
Oper. exp. & tax. ..	396,717	389,161	392,404
Net income	255,387	236,114	186,651
Interest charges ..	74,605	79,178	76,998
P. & L. adj.	1,635	50,340	11,761
Retire. reserve	50,795	35,000	25,000
Net earnings	128,352	71,596	72,892
Pref. dividend	52,500	45,500	38,500
Pref. "B" div.	8,438	3,761	....
Balance	67,414	22,335	34,392
Prev. surplus	83,757	61,422	27,030
P. & L. bal.	151,171	83,757	61,422
Working Capital			
Current assets	$336,171	$237,551	$201,685
Curr. liabs.	44,446	50,466	181,556
Working cap.	291,725	187,085	20,129

Balance Sheet Changes

While the company's tramways department experienced a marginal decline in earnings during the year, the earnings from the sale of light and power increased substantially, with the resulting increase seen in the foregoing income figures.

In the balance sheet the fixed assets are carried at a figure about $50,000 in excess of the 1925 figures. For the first time the company carries among its assets an item of $25,000, which is invested in Dominion Government bonds. In addition there appears for the first time $18,000, which the company has used to purchase some of its underlying bonds. Cash on hand totals $170,980.

In the liabilities, the total increase in the various reserves and profit and loss account amounts to almost $100,000. The outstanding preference "B" shares, which are sold to the company's customers, have been increased by $88,598; the current liabilities and current assets show the changes which resulted in the satisfactory betterment already noted in the company's working capital position.

The President's Remarks

In his remarks to the shareholders, R. D. Bell, the president, says in part:

"At the end of the year the plant investment stood on the books at $2,791,409.91, an increase of $49,923.03 during the year. A part of this addition is due to the completion of the installation of an 1,800 kilowatt turbo-generator. This unit increases the maximum hydro and steam generating capacity of the system to 3,700 kilowatts, which is ample for present load requirements and provides for future growth. This compares with 1,400 kilowatts, which was the capacity of the plant when taken over by the Jamaica Public Service Company.

"In 1926 the company expended for maintenance, which is included in operating expenses, 12.7 per cent. of the year's earnings, and, in addition, during this period a total of 18.12 per cent. of the gross earnings was set aside for reserves, or retained in surplus.

"In June, 1926, a conference of the British West Indies Colonies was held in London, the purpose of which body is to encourage trading between the colonies and other British Dominions. There is increasing demand for co-operation on the part of the West Indies to market properly their produce and to develop their resources, to which end the above body is dedicated. Trade between Canada and the British West Indies is steadily growing, and should acquire impetus when the terms of the Canadian and West Indian Treaty are fully applied. It is expected that the sound growth of the company will continue."

RAILWAY EARNINGS

Canadian Pacific

Week end:	1927	1926	Change
April 14 ...	$3,286,000	$3,137,000	+$149,000

Canadian National

Week end:			
April 14 ...	$4,952,042	$4,605,729	+$346,313

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Department of Colonization and Development.
MONTREAL, CANADA. J. S. Dennis, Chief Commissioner.

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Twenty-year First Mortgage
6% Sinking Fund Gold Bonds
(Series A)
To be dated April 1, 1927 To mature April 1, 1947

Arnold Brothers, Limited, incorporated under the laws of the Province of Ontario, has acquired the businesses of a predecessor company of the same name and of A. Martin, Limited.

The business of A. Martin, Limited, has operated retail meat stores for more than fifty years and was one of the first chain store organizations in Canada. The business of Arnold Brothers, Limited (old Company), was founded in 1918, and operated a chain of meat and grocery stores.

The new Company will operate 74 retail stores, of which 48 are situated in Toronto, 14 in Montreal and the remainder in other important retailing centres in Ontario.

It is planned to remodel all "Martin" stores to include in each a complete line of groceries, meat, fish, etc.

We recommend these bonds as affording very desirable security together with an attractive interest return

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SAWYER-MASSEY HOLDERS RATIFY SALE OF ASSETS

Thresher, Road Machinery Business Goes to New Organization

Shareholders of Sawyer-Massey Co. at a meeting in Hamilton this week approved the sale of the company as a going concern to a new company known as the Grosvenor Co. The consideration to the old company is 16,500 common shares of no-par value of the 50,000 to be issued in the new company. The new company agrees to put in $600,000 cash immediately in the form of fifteen-year 6 per cent. bonds. Other bonds may be issued. The new company assumes all the liabilities of the old company, including winding-up expenses to the amount of $5,000.

The shareholders of the old company also ratified a proposal to change the name to Sawyer-Massey Holding Co., or such other name as the secretary of state may approve.

Identity Not Disclosed

One inquisitive shareholder who asked as to the identity of the purchasers of the property was told politely by the president, T. B. Christie, that details could not be given other than that both the directors and the company's bankers (who are interested to the extent of $2,000,000) were satisfied as to their ability and integrity.

The same shareholder asked in what manner the 16,500 new shares were to be distributed. H. Aird, vice-president, said that it was a matter which the directors would have to consider and that probably the distribution, when arranged, would have to be ratified by the court. The preferred shares of the old company are preferred as to assets in winding up, but not as to dividends.

Values Are Problematical

Value of the shares in the new company is problematical, depending largely on the initial success of the company. The number of shares involved in the purchase indicates that the directors tentatively have in mind that the preferred shareholders get one new share for each old preferred and that the common shareholders get one new share for each ten old held. This distribution, however, apparently would presume that the new shares have value of $100 each.

Sawyer-Massey Co. has passed its preferred dividends since June 1, 1914. Its gross business last year was $876,000. It manufactures threshing machines and road machinery and assembles a tractor.

The new company believes that it can operate on a profit on a gross business of $1,250,000 annually. It is expected that this will be exceeded by the marketing of threshing machines to the total value of $800,000 and road machinery to the value of about $600,000. It is pointed out that the Sawyer-Massey thresher stands well with the agricultural community, while the company's road machinery is also favorably regarded. It is hoped that this business can be expanded enormously in the next few years and it is intended to manufacture, rather than assemble, a tractor at the Hamilton plant which will serve both for the threshers and the road machinery.

To Use Idle Building

One large building at the Hamilton plant which has been virtually idle for ten years or more will be placed in use immediately by a company affiliated with the automobile industry. The demand for such a building was created with the tariff changes which obligated Canadian automobile manufacturers to build cars of at least 50 per cent. made-in-Canada in order to take advantage of the 25 per cent. rebate. This change became effective April 1st.

Vice-president Aird, in discussing the proposed sale prior to the balloting, said that the offer, while not so good as might have been hoped, left the company and shareholders with no alternative except liquidation.

Write Off Bad Debts

Sawyer-Massey's troubles have been acute for several years owing to the distress among the grain growers and the Western legislation which made collection of accounts exceedingly difficult. The company has been compelled to write off something like $1,250,000 in bad debts. It also was affected by the reduction in the duty on threshing machines. Foreign competition resulted in still longer credits for purchasers. For a time the company met this competition, but latterly decided that it was the wiser policy to insist on a reasonable down payment and regular payments thereafter. This reduced sales somewhat, but materially improved the credit position.

There is hope that the new company will be able to develop the export market to a greater extent than the old company. The new company's initial position will be much better because it will have not less than $600,000 cash as working capital.

No Debts to Pay in Cannington, Sask.

In the rural municipality of Cannington, Sask., there is no debenture indebtedness of any kind floated by the rural municipal council; there are no school debentures outstanding and very little telephone debenture indebtedness in its boundaries. The municipal council, when in need of money, has had no difficulty in borrowing from its own ratepayers sufficient funds to carry out whatever improvements the council may deem necessary and advisable. This condition of affairs is, however, not unique in Saskatchewan.

DUKE-PRICE CO. FAILS TO EARN BOND INTEREST

But Annual Report Covers Period of Construction and Expansion

From Our Own Correspondent.

MONTREAL.—The first annual report of the Duke-Price Power Company since the $37,000,000 bond issue was sold shows that during the 1926 year the company failed to earn its bond interest and made no allowance for depreciation. In considering the income figures, though, it is to be remembered that the capacity of the plant has been materially increased and that earnings for the future should be largely augmented both by the increased electrical output of the plant and by the power contracts which the company has closed since the beginning of its last fiscal year.

The comparison of income accounts over the last two years is as follows:

	1926	1925
Oper. revs.	$ 1,113,634	*$ 188,671
Op. & gen. exps.	207,811	83,158
Net revenue	905,823	105,513
Other income	604,539	8,278
Total income	1,510,362	113,791
Int. on bonds	1,664,500	720,000
Net loss	154,138	606,209

*Partial operation of plant commenced in May, 1925.

In the profit and loss account the sum of $94,053 was transferred to the Quebec Development Company and thus the profit and loss account was reduced to $2,322 in the balance sheet.

The balance sheet shows a deficit in the working capital account. The last two balance sheets, which both cover constructional periods, are as follows:

Assets	1926	1925
Plants, etc.	$55,635,077	$31,835,027
Cash	52,321	487,605
Invest. aff. cos.	633,000	......
Mats. & supplies	27,788	......
Bills & accts. rec.	150,215	198,242
Deferred chrgs.	2,289,050	630,330
Total	$58,787,454	$33,151,206
Liabilities		
Capital stock	$21,000,000	$19,000,000
1st mtge. gold bonds	......	12,000,000
1st mtge. sink. fund gold bonds	37,000,000	......
Advs. from aff. cos.	62,383	......
BBills & acts. pay.	722,747	1,900,694
Surplus	2,322	250,513
Total	$58,787,454	$33,151,206

'Peg Electric Starts Bulletins

MONTREAL.—The Winnipeg Electric Company has commenced issuing monthly bulletins to its shareholders. The purpose of these bulletins, says the first issue for the month of April, is to endeavor to give current information to the shareholders regarding the way in which the company is meeting and overcoming its various problems.

B.C. ELECTRIC CELEBRATES ITS 30TH BIRTHDAY

Company Almost Unique in That Management Has Been Unchanged

This April marks the 30th anniversary of the British Columbia Electric Railway Co. The event is commented upon in the April 15th issue of The Buzzer, a sprightly leaflet issued periodically by the company as a means of maintaining pleasant relations with the public and employees.

It is noted that B. C. Electric is almost unique in that it never has known a change of ownership or a reorganization. R. M. Hornepayne was chairman in 1897 and he is chairman today.

Single Track, Then

In 1897, the company distributed 2,000 electric horsepower, while the resources at present are 202,000 horsepower and soon will be 215,000, with the addition of Alouette. In 1897 there were 40 miles of electric railway track, compared with 350 miles now, plus 192 miles of motor bus and truck system. In 1897 there were 36 miles of gas mains, compared with 312 miles at present.

The street car system at the time of the organization of the company consisted of the belt line, with single track on Main street, Vancouver, tracks on Hastings, part of Cordova and on Powell as far as Campbell avenue, a line on Robson street and another to Stanley Park. The Davie line was not laid until 1900, and the Robson line was a single track until the same year. The New Westminster interurban line ran through the bush to Cedar Cottage and entered New Westminster by Sixth street.

The whole of the company's rolling stock in Vancouver and Victoria consisted of 40 cars, mostly single-track vehicles, which bobbed up and down with the variations of the track. In 1897 there were no street cars in North Vancouver, the first car on the north shore being operated on Labor Day, 1906. The Fraser Valley line was not completed until 1910.

Sell Stock in B.C.

When this company first came into existence electric power was generated from steam and supplied to lighting circuits at 50 volts. Vancouver had a population of 20,000.

The British Columbia Legislature in the session just closed enacted a law whereby the British Columbia Electric Power & Gas Co., a new company, could acquire and operate the various subsidiaries of B. C. Electric, which is an English company. The purpose of forming the Canadian company was to make it feasible and desirable for employees and patrons of the company to acquire stock not subject to the British income tax.

House Heating Brings Gas Companies Problems

Gas companies must spend from $1500.00 to $2000.00 for each new house heating customer added to their mains, according to a recent bulletin of A. D. Little, Inc., in which attention is called to the increasing use of gas fuel for house heating.

"The effect of this new load on the business of the gas companies should be favorable," says the report. "In a general way this service constitutes an addition to the daily peak load, which, together with its seasonable nature, will not improve the load factor. This condition has been taken care of in the construction of rates either by a demand charge or a sliding scale, which is intended to return to the gas company the carrying charges on the capital investment incidental to the new service.

"An ultimate new investment of three to four million dollars in plant and distribution facilities is necessary for the company serving a community of people. These figures are based on the average household of five individuals and the assumption that two per cent of our families, rated as having annual incomes of more than $5,000.00, are potential customers for gas heating."

The bulletin also claims that gas house heating offers gas companies a profitable field for increasing their business.

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Jamaica Public Service Co. Limited

Kingston, Jamaica, B. W. I.

Executive Management: STONE & WEBSTER, Inc.

Annual Report for 1926

To the Shareholders of the
Jamaica Public Service Company, Limited:

The Annual Report of the Executive Managers presents the following figures as to income received from operation and the expense incurred in conducting the undertaking during the year:

	1926	1925	Increase
GROSS EARNINGS			
Tramway Department	$384,070.93	$387,762.76	$ x3,691.83
Light and Power Department	265,642.03	235,618.19	30,023.84
Non-Operating	2,390.93	1,894.09	496.84
Total	$652,103.89	$625,275.04	$ 26,828.85
OPERATING EXPENSES AND TAXES			
Operation	$291,395.73	$283,432.07	$ 7,963.66
Maintenance	78,720.74	80,187.65	x1,466.91
Taxes	26,600.75	25,541.04	1,059.71
Total Operating Expenses and Taxes	$396,717.22	$389,160.76	$ 7,556.46
NET EARNINGS	$255,386.67	$236,114.28	$ 19,272.39
Interest Charges	74,605.27	79,178.40	x4,573.13
	$180,781.40	$156,935.88	$ 23,845.52
Dividends on Preference Shares	52,500.00	45,500.00	7,000.00
Dividends on Preference "B" Shares	8,437.89	3,761.29	4,676.60
	$119,843.51	$107,674.59	$ 12,168.92
Net Direct Debits to Profit and Loss	1,635.19	50,339.94	x48,704.75
Appropriated for Retirement Reserve	50,794.67	35,000.00	15,794.67
Balance	$ 67,413.65	$ 22,334.65	$ 45,079.00
Prior Surplus	83,757.16	61,422.51	22,334.65
Surplus at End of Year	$151,170.81	$ 83,757.16	$ 67,413.65
RATIO TO GROSS			
Operation plus Maintenance	56.76%	58.15%	
Maintenance	12.07%	12.82%	
Retirement Reserve Appropriation	7.79%	5.60%	

xDecrease.

The progress of your Company during the past year indicates a satisfactory growth, and a fuller development of the territory supplied with electric services.

The Balance available for reserves, retirements and dividends after payment of interest on bonded debt was $180,781.40, an increase of $23,845.52, or 15.19% over last year, and an increase of 64.86% over the year 1924, the first full year of operation of the property by the Jamaica Public Service Company.

Gross earnings increased over 1925 by $26,828.85, or 4.28%. This was due to an increase of $30,023.84, or 12.74%, in the Light and Power Department, as Tramway Earnings decreased $3,691.83, or 0.95%, largely because of weather and traffic conditions. The decrease in Tramway Earnings was, however, more than offset by a decrease of $9,552.34, or 3.62%, in Tramway Operating Expenses. Electric Operating Expenses increased $16,049.09, or 16.06% over last year, due principally to increase in maintenance expense at the Bog Walk Hydro-Electric Plant, and the cost of renovating and equipping the King Street Store to build up sales of electrical appliances. Taxes were larger by $1,059.71, which was more than offset by a decrease of $4,573.13 in Interest Charges.

The substantial increase in Light and Power Earnings noted above indicates the progress of the Company in selling improved lighting in stores and residences, and in furnishing power for irrigation pumping.

At the end of the year the Plant Investment stood on the books at $2,791,409.91, an increase of $49,923.03 during the year. A part of this addition is due to the completion of the installation of an 1,800 kilowatt turbo-generator. This unit increases the maximum hydro and steam generating capacity of the system to 3,700 kilowatts, which is ample for present load requirements and provides for future growth. This compares with 1,400 kilowatts, which was the capacity of the plant when taken over by the Jamaica Public Service Company.

In 1926 the Company expended for Maintenance, which is included in Operating Expenses, 12.07% of the year's earnings, and, in addition, during this period a total of 18.12% of these Gross Earnings was set aside for reserves, or retained in surplus.

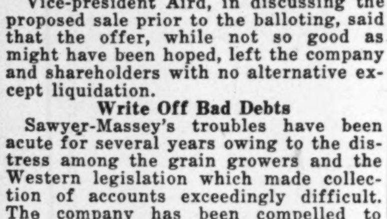
During the three and one-half years that the Company has been under its present executive management, the corresponding percentages have been 12.43% and 14.43% respectively. The amount in Retirement Reserves at the end of the year and invested in Plant was $70,982.85. This will tend to increase from year to year as the size of the property grows. Your Company's cash position is a very strong one, there being $170,980.47 at the Bank, in addition to Victory Bonds and reacquired securities.

Regular dividends on the Preference Shares were paid at the rate of 7% per annum. The local sale of Preference "B" shares in the denominations of £1 Sterling was continued during the year with gratifying results, 18,205 shares being sold. There are now about 34,500 of these shares locally owned.

In June, 1926, a conference of the British West Indies Colonies was held in London, the purpose of which body is to encourage trading between the Colonies and other British Dominions. There is increasing demand for co-operation on the part of the West Indies to market properly their produce and to develop their resources, to which end the above body is dedicated. Trade between Canada and the British West Indies is steadily growing, and should acquire impetus when the terms of the Canadian and West Indian Treaty are fully applied.

It is expected that the sound growth of the Company will continue.

On behalf of the Board,
Montreal, March 30, 1927.
R. D. BELL, President.



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Secretary, Municipal Bankers Corporation, Limited.

Announcement

The Municipal Bankers Bond and Sales Corporation, Limited, announces the removal of its offices to larger and more convenient quarters, located on the 8th Floor of the Canadian Pacific Building, Corner of King and Yonge Streets, Toronto, and a change in the name of the Company to

The Willison Neely Corporation
LIMITED

who will continue to deal in Government and Municipal and high-grade Industrial Bonds.

This change in no way affects the organization or personnel of the Municipal Bankers Corporation, Limited, whose offices remain at 34 King Street East, Toronto.

April 19, 1927.
Toronto.